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March 15, 2019

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The Alliance for Clean Energy New York (ACE NY), via this letter, is providing its comments on ways to improve the NYISO's interconnection process, especially as regards the Class Year (CY) Study. The extreme length of recent CY Studies, especially when compared to the NYISO's stated goal of completing the CY Study in one year, makes it imperative that a major relook at the NYISO's interconnection process be undertaken. ACE NY is pleased that the NYISO agrees with this need and has begun such an effort. These comments represent ACE NY's initial thoughts. As the effort proceeds, further comments will likely be forthcoming.

ACE NY is a non-profit membership organization whose mission is to promote clean energy, energy efficiency, a healthy environment and a strong economy for New York State. This diverse coalition includes private renewable energy and energy efficiency companies, environmental and economic development organizations, academic institutions, and consultants to the energy sector. The clean energy technologies represented by ACE NY members include land-based wind, offshore wind, hydropower, biomass, fuel cells, energy efficiency, energy storage, distributed wind, and solar.

As an initial comment, ACE NY believes that there is a need to make some changes immediately, i.e., in time for use in the upcoming 2019 CY Study. The effort should quickly identify these potential changes and prioritize the effort to focus on changes that can be implemented right away. There is, nonetheless, a strong need for more fundamental changes, those that cannot be ready immediately. These changes, while they will take longer to examine and make ready for implementation, should also be studied rapidly and vigorously. The goal should be to have the changes in place for the CY Study that follows the 2019 CY Study.

ACE NY recommends the following be implemented to affect the 2019 CY Study:

- At a minimum, the NYISO should change its FERC tariff to permit the NYISO to take the action, mid-study, that the NYISO described last month when it was contemplating a waiver request from the FERC. This was an action that would have enabled the NYISO to

end the 2017 CY Study for all upstate projects, and immediately begin the next CY Study, without having first fully completed the additional deliverability study that is occurring downstate and is the subject of lengthy delay. At a minimum, if this tariff change is made, the NYISO would be in a much better position to have at least this option available to it to minimize the delay caused by the process that harms projects far away from the problem and that have not contributed in any way to the problem. This change can be made in time for use in the 2019 CY Study.

- A new option should be added for use by projects to satisfy the regulatory milestone requirement associated with entering a CY Study. The new milestone option is the possession by the project of a Renewable Energy Credit (REC) contract between the generator and the New York State Energy Research and Development Authority (NYSERDA). To obtain such a contract, a project must have completed certain milestones required by NYSEERDA, and the project must provide financial contract deposits to NYSEERDA. Moreover, the possession of such a contract provides a revenue stream that greatly enhances the project's viability. By any common sense view, possession of a NYSEERDA REC contract is one of the best criteria for project seriousness. This change can be made in time for use in the 2019 CY Study since it affects none of the study processes. ACE NY believes this should be one option for achieving the regulatory milestone, added to the existing two options but not replacing them.
- The size threshold that separates Small Generator Interconnection Service from Large Generator Interconnection Service should be raised from 20 MW to 25 MW. ACE NY acknowledges that the 20 MW value is a FERC standard, but the NYISO should ask FERC for a variation from the 20 MW value to align the NYISO's rules with New York State's 25 MW threshold for requiring an Article 10 permit. Being a one-state RTO makes such an alignment reasonable for the NYISO. Aligning the interconnection process with the Article 10 law would harmonize NYISO policies with New York's public policies and goals. This change can likely be made in time for use in the 2019 CY Study as it affects none of the study processes.
- Small projects (below 25 MW, or 20 MW, if the above change is not made), should not be required to enter a CY Study to obtain CRIS service. A process outside of the Class Year process should be developed and made available for small projects.
- The geography covered by any single NYISO CY Study should be shrunk. For example, the state could be separated into two pieces, upstate and downstate, with two separate CY Studies done. In this way, a delay in one part of the state will not cause a delay to projects in the other parts of the state. This option would have potentially avoided months of delay in the last two CY processes. NYISO's tariff should be modified to allow the NYISO to evaluate and consider the use of up to four state regions for purposes of CY Studies. At the beginning of the first CY Study for which separate regions would be used, the NYISO could take inventory of the projects involved and use that information to determine an initial set of geographically separate CY Studies that makes the most sense and will be most efficient.

As mentioned above, beyond these smaller changes that can be implemented to affect CY 2019, we strongly feel that the CY process needs to be comprehensively reexamined and redesigned. ACE NY does not yet have a full consensus position on several other possible larger changes to the interconnection process, but believes they are potentially promising and should be studied. These are as follows.

- A multiphase process, along the lines being used by the Midwest ISO and being contemplated for the Southwest Power Pool should be studied for possible use in New York. Such a process involves several stages of studies, with increasing amounts of money put at stake by projects as they move on to each successive phase of the process and with an increasing amount of cost information provided to each project during each phase. One advantage of the process is that it leads to a reduced number of projects for whom the final cost information needs to be prepared, potentially speeding up the process.
- A requirement that each project's System Reliability Impact Study (SRIS) include a deliverability study for the project should be explored for possible use in New York. Performing the deliverability study prior to entering a CY Study could reduce the delays currently besetting the CY Study process associated with the need to do additional deliverability studies within the CY Study. A fairly large size threshold, such as 250 MW, below which the requirement does not hold, would need to be part of the final proposal. Such a size threshold makes sense because New York's experience has been that the delays caused in the CY Studies by the need for additional deliverability studies has been associated with very large projects. Relieving relatively smaller projects of the burden of such a requirement is reasonable.
- The merits of establishing agreements between the NYISO and PJM and ISO-New England governing interconnection studies should be studied. The agreements could enable the neighboring RTOs to study interconnection issues in parallel. A schedule could be developed for performing affected system studies.
- A change to the tariff that softens the language that requires the NYISO to identify "least cost" solutions should be examined. To the extent that large delays in the process could be avoided by a change in the exact language of the requirement, it is worth thinking about. ACE NY does not now have suggested substitute language, but will work with the NYISO and other market participants to try to come up with language that improves upon the current situation.
- For small projects, an opportunity to obtain interim CRIS service prior to going through a CY Study should be studied for use in New York. If workable, this would allow small projects to move through their development without being delayed by the lengthy CY Study process at the outset.

ACE NY appreciates the opportunity to share these comments and stands ready to work with the NYISO and the market participants to achieve valuable improvements to the interconnection process.

Sincerely,

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