

**ISO NEW ENGLAND PLANNING PROCEDURE 4-1**

**IMPLEMENTATION OF COST RESPONSIBILITY  
DETERMINATION FOR SCHEDULE 11 CATEGORY C  
PROJECT TRANSMISSION UPGRADES IN  
CIRCUMSTANCES OF MULTIPLE NEEDS**

EFFECTIVE DATE: June 27, 2023

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**TABLE OF CONTENTS**

<u>Section</u>	<u>Title</u>	<u>Page</u>
1.	Introduction .....	3
2.	Cost Responsibility for Category “C” Generator Interconnection Related Upgrades With Multiple Needs.....	4
	Document History .....	5

## **Planning Procedure No. 4-1**

### **Implementation of Cost Responsibility Determination for Schedule 11 Category C Project Transmission Upgrades in Circumstances of Multiple Needs<sup>1</sup>**

#### **1. Introduction**

This Planning Procedure (PP4-1) describes the implementation of the cost allocation provisions of Schedule 11 (Generator Interconnection Upgrade Costs) of Section II of the Tariff,<sup>2</sup> by ISO New England (ISO) for Category C Projects' interconnection-related upgrades when there are multiple needs for a Transmission Upgrade. A Category C Project refers to a Generating Facility classified as Category C pursuant to Schedule 11 of the OATT, as well as an Elective Transmission Upgrade.

Pursuant to Section II.46 of the OATT, an addition or modification to the New England Transmission System may be required to accommodate the interconnection of a new or modification to a Generating Facility or an Elective Transmission Upgrade pursuant to Schedules 22, 23, and 25 of the OATT. The additions or modifications necessary to accommodate a Generating Facility are collectively defined as Generator Interconnection Related Upgrades. The additions or modifications necessary to accommodate an Elective Transmission Upgrade are referred to as Elective Transmission Upgrade related upgrades. A Reliability Transmission Upgrade (Reliability Upgrade), Market Efficiency Transmission Upgrade (Economic Upgrade), or Public Policy Transmission Upgrade (Public Policy Upgrade) may be required or proposed pursuant to the Regional System Plan (RSP) in Attachment K of the OATT. The cost allocation treatment of these upgrades, modification or additions to the transmission system in New England is governed by Schedules 11 and 12 of the OATT.

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<sup>1</sup> Capitalized terms used in this Procedure are intended to have the same meaning given to such terms in Sections I.2.2 of the Transmission, Markets and Services Tariff (the Tariff).

<sup>2</sup> Section II of the Tariff contains the Open Access Transmission Tariff (the OATT).

For a **Category C Project** under Schedule 11 of the OATT, if a Generator Interconnection Related Upgrade is required in order to satisfy the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard (or its predecessor standard) the Generator Owner shall be obligated to pay all of the cost of such upgrade, including all Direct Interconnection Transmission Costs and any applicable tax gross-up amounts, to the extent such costs would not have been incurred “but for” the interconnection; provided that, if ISO determines that a particular Generator Interconnection Related Upgrade provides benefits to the system as a whole as well as to particular parties, then the cost of such Upgrade shall be allocated in the same way as Reliability Transmission Upgrades.<sup>3</sup>

Based on Schedule 11 of the OATT, interconnection costs assigned to Generator Owners, as well as Elective Transmission Owner Interconnection Customer (ETU IC), for Category C Projects may be affected by whether an upgrade needed for the interconnection of the Generating Facility or the Elective Transmission Upgrade has already been included in the RSP or RSP Project List for reasons other than the Generating Facility or Elective Transmission Upgrade interconnection. For example, if an upgrade identified as required to accommodate the Generating Facility or Elective Transmission Upgrade interconnection is already in the RSP Project List as a Reliability Upgrade or Economic Upgrade, as described more fully below, its costs (depending on the project status level of the upgrade listed in RSP or RSP Project List) potentially may not be assigned to the Generator Owner or ETU IC even if the same upgrades would be required for the Generating Facility or ETU interconnection.

## **2. Cost Responsibility for Category C Project’s Interconnection-Related Upgrades With Multiple Needs**

If the upgrade needed for the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard (or its predecessor standard) in connection with a Category C Project is the same, or is similar to and provides a similar system benefit (a

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<sup>3</sup> A Reliability Transmission Upgrade has costs allocated as specified in Schedule 12 and Planning Procedure 4.

“Similar Upgrade”), in whole or part, as a Transmission Upgrade included in the RSP or RSP Project List for Reliability, Economic or Public Policy reasons with a “Planned” or “Proposed”<sup>4</sup> status before the Interconnection Agreement is finalized, the cost (or the applicable portion of the cost) of the Generator Interconnection Related Upgrade or Elective Transmission Upgrade related upgrade will be paid for under Schedule 12 (see Planning Procedure 4<sup>5</sup> for further information) of the OATT.

An upgrade does **not** qualify as a Similar Upgrade if it involves situations such as:

- (1) re-conductoring rather than changing reactive compensation equipment;
- (2) building a new substation rather than a new transmission circuit;
- (3) installing a new transformer rather than re-conductoring; or
- (4) any changes, including cancellation, of projects in the RSP or the RSP Project List resulting from a Generating Facility or Elective Transmission Upgrade’s interconnection (that are not Similar Upgrades as described above).

## Document History

Rev. 0 Rec.: RC – 4/27/01; App.: PC – 5/9/01

Rev. 1 Eff.: 2/1/05

Rev. 2 REC: RC – 8/24/2017; PC- 9/15/2017; ISO-NE 9/26/2017

Rev. 3 REC: RC – 5/16/2023; PC- 6/27/2023; ISO-NE 6/27/2023 – updates to footnotes 4 and 5

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<sup>4</sup> Attachment K of the OATT specifies four levels of classification for a Transmission Upgrade: Proposed, Planned, Under Construction, and In Service

<sup>5</sup> [https://www.iso-ne.com/static-assets/documents/2020/02/pp\\_4\\_rev9.pdf](https://www.iso-ne.com/static-assets/documents/2020/02/pp_4_rev9.pdf)