

Order No. 2023 – Improvements to Generator Interconnection Procedures and Agreements



*Update On Schedule for Order 2023 Compliance Filing
Plans, Transition Key Dates, and Related Filings*

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Presentation Purpose

- On October 25, 2023, the Federal Energy Regulatory Commission (“FERC”) issued an “Order On Motions and Addressing Limited Arguments on Rehearing and Setting Aside Prior Order, In Part” (“Rehearing Order”)
 - The Rehearing Order set aside Order No. 2023 as it relates to the deadline to submit compliance filings and extended the compliance deadline from 90 days to 210 of the publication of the Final Rule in the Federal Register
 - With this extension, compliance filings are required to be made by **April 3, 2024**
- This presentation will review the ISO’s updated plan for the Order 2023 compliance and related Section 205 filings in light of this extension
 - Updated key dates include those associated with:
 - Stakeholder process;
 - Compliance filing;
 - Related and conforming Tariff changes;
 - Transition process dates and updates;
 - Revisions to Planning Procedures

Next Steps

- In light of the Rehearing Order, the ISO will now be able to combine what had been expected to be two sequential 205 filings into one cohesive package, that will be filed contemporaneously with the Compliance Filing
 - The specific sections of the Tariff to be included are detailed on the following slides
- Given this revised approach, ISO is working to deliver the redlines for the Transmission Committee on December 8th such that the stakeholders can review and consider them in advance of the December 21st TC
- ISO's December materials will also revisit the ISO's proposal for storage studies, Cluster Study/Restudy timelines, transition rules, and responses to frequently asked questions

Compliance Filing – Timing and Scope

- ISO intends to make its Compliance Filing on **April 1, 2024**
- ISO plans to propose **May 31, 2024** Effective Date
- Included in Compliance Filing would be changes to:
 - Tariff, Section I.2.2 (Definitions)
 - OATT, Schedule 22 (LGIP)
 - OATT, Schedule 23 (SGIP specific changes required by Order 2023)
 - OATT, Schedule 11 (Update allocation for shared upgrade costs)
 - OATT, Section II.48 (Conforming changes related to establishment of CNRC commencing with Forward Capacity Auction 19)
 - OATT, Attachment K (Conforming changes in Section 15 - CRPS)

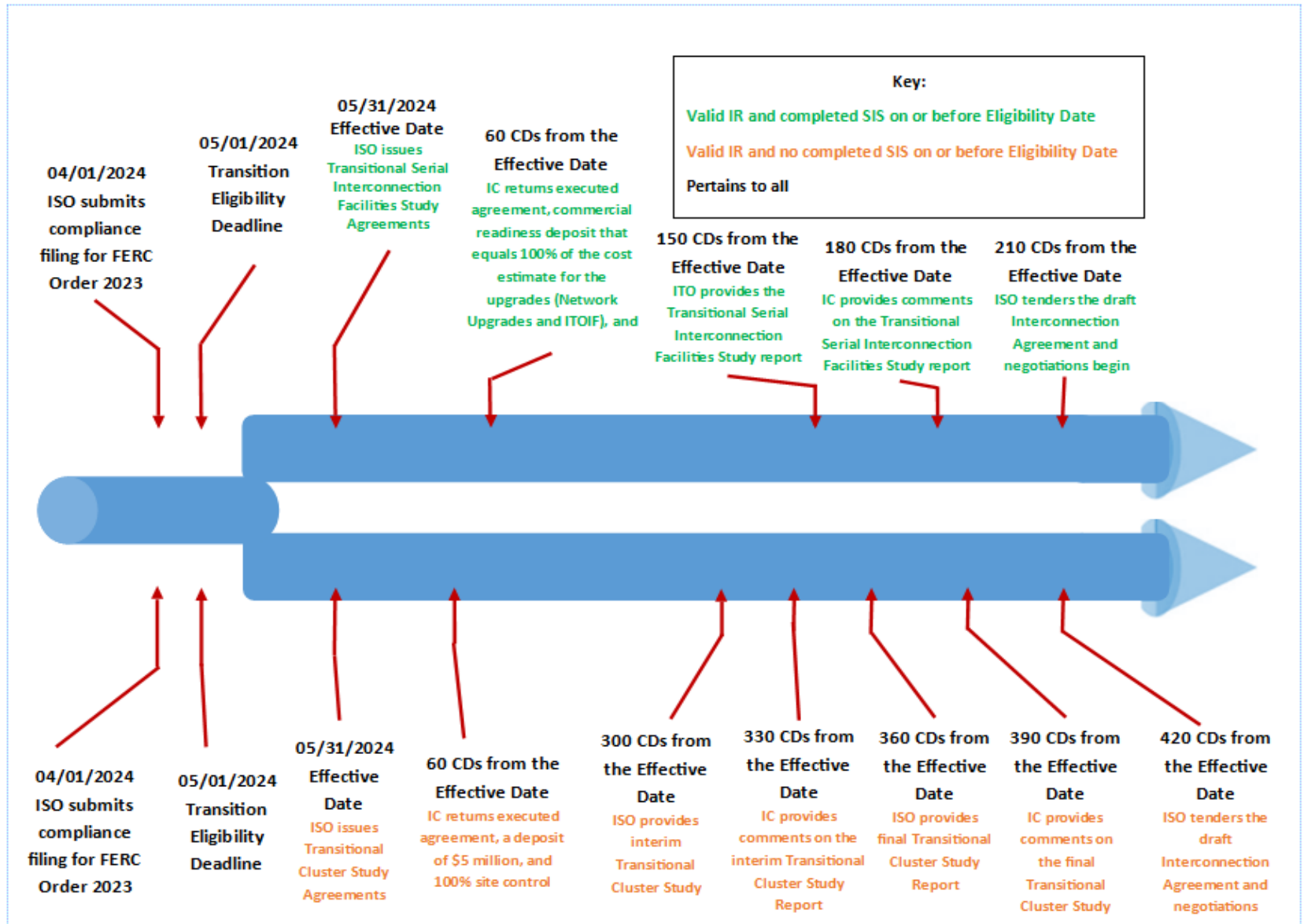
Related Section 205 Filing – Scope

- In creating a compliance plan, the ISO has determined that changes to Schedules 23 and 25, as well as Sections II.19, II.36, III.12, III.13 are needed to align with Order 2023 Clustering Constructs
- Originally proposed to be completed in two filings, extension allows for these related changes to be proposed in one single Section 205 filing to be submitted contemporaneously with the Compliance Filing on April 1
- Included in this filing will be changes to:
 - OATT, Schedule 23
 - Require that Small Generating Facilities go through the same clustering process as those under Schedule 22
 - OATT, Schedule 25
 - Require that Elective Transmission Upgrades (ETUs) go through the same clustering process as those under Schedule 22
 - Tariff, I.2.2
 - Update definitions consistent with changes in substantive rules
 - OATT, II.19; II.34– RNS/TOUT Rules
 - Incorporate applications requiring studies in the cluster study process
 - Market Rule 1, Section III.13 – Forward Capacity Market
 - Conforming changes associated with moving the qualification analysis to Schedules 22, 23 and 25; elimination of Conditional Qualification and Long Lead Time Facility treatment
 - Market Rule 1, Section III.12 (If Necessary)
 - Conforming changes
 - Tariff, III.C.8
 - Update language providing for IARR allocation based on order of service and study priority

Transition Process Dates and Milestones

- “Effective Date”
 - ISO is proposing an Effective Date of **May 31, 2024**
 - Execution of Transitional Cluster Study Agreement is due no later than 60 Calendar Days (CD) from the Effective Date and study would commence thereafter
- “Eligibility Date”
 - Consistent with Order 2023, an April 1 compliance filing date results in an Eligibility Date of May 1, 2024. This means that Interconnection Customers with a valid IR as of **May 1, 2024** will be eligible to elect to proceed with a transition study or elect to withdraw from the interconnection queue without penalties.
 - On May 31, the ISO will issue a Transitional Serial Interconnection Facilities Study Agreement or a Transitional Cluster Study Agreement to eligible Interconnection Customers
- Interconnection Requests that are not valid and have not been assigned Queue Position as of the Eligibility Date will be withdrawn by the ISO without further opportunity to cure any deficiencies (withdrawal penalties will not apply)
 - The ISO will not accept any Interconnection Requests submitted after the Eligibility Date until the first Cluster Entry Window Opens in 2025
 - Ongoing study work for IRs for which an SIS is underway as of the Eligibility Date will continue through the Effective Date
 - Results of those studies will be provided for information purposes only and will not effect a project’s status with respect to the Transitional Cluster Study

Updated Transition Process Time Line



Transmission Committee Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
Transmission Committee <u>August 22, 2023</u>	NEPOOL Counsel’s Overview Presentation
Transmission Committee <u>September 27, 2023</u>	ISO-NE Overview on Order 2023, Discussion of Capacity Interconnection Service Considerations, and Discussion of Transition Process
Transmission Committee <u>October 17, 2023</u>	ISO-NE Presentation & Initial Review of Tariff Redlines Stakeholder Conceptual Amendments
Transmission Committee <u>November 9, 2023</u>	ISO-NE Updates Filing Plans, Delivers additional detail on Transition Timeline as it Relates to FCA 19 Delay Stakeholder Conceptual Amendments
Transmission Committee December 21, 2023	ISO-NE Redline Review of Compliance and 205 Filing Language Stakeholder Amendments



Transmission Committee Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
Transmission Committee January 23, 2024	ISO-NE Continues Discussion on Compliance and 205 Proposal, Reviews Incremental Redlines, Responds to Stakeholder Questions Stakeholder Amendment Discussions
Transmission Committee February 15, 2024	Review of Incremental Updates to Compliance and 205 Filing Language, Respond to Stakeholder questions, Vote Stakeholder Amendments & Votes
Participants Committee March 7, 2024	Vote
April 1, 2024	File Compliance and 205 Filings

Anticipated Other NEPOOL Committee Stakeholder Schedules*

Stakeholder Committee and Date	Scheduled Project Milestone
Markets Committee December 12-14, 2023	Introduction to conforming changes in III.13
Reliability Committee December 18-19, 2023	Introduction to potential conforming changes in III.12, if necessary
Markets Committee January 9-11, 2024	Review Conforming Redlines
Reliability Committee January 16-17, 2024	Review Conforming Redlines, if necessary
Markets Committee February 6-8, 2024	Vote
Reliability Committee February 13-14, 2024	Vote, if necessary
Participants Committee March 7, 2024	Vote

* PTO AC and Budget and Finance may be included, as necessary, in future updates

Planning Procedure Changes – Scope and Schedule

- Currently, ISO anticipates changes will be required to:
 - PP5-6 – Interconnection Planning Procedure for Generation and Elective Transmission Upgrades
 - Changes likely needed throughout to account for new cluster study construct; modeling requirements
 - Changes will build on those currently being [presented to the Reliability Committee](#)
 - PP10 – Planning Procedure to Support the Forward Capacity Market
 - Changes needed throughout to account for CNRIS studies taking place via Cluster Study
- Introduce proposed changes to the RC in early Q2 2024 to allow changes to be effective in time for transition studies

Questions

