GLENVALE

ISO-NE Order 2023 Compliance Filing – Glenvale Proposed Change to Schedule 22, 23 and 25 Initial Commercial Readiness Deposits

Presentation for NEPOOL Transmission Committee: February 15th, 2024

February 9th 2024, revised February 12th 2024

Current Proposed Amendment

One proposal (two prior proposals withdrawn)

1. ~~Amendments and recommendations w/r/t Letters of Credit, treatment of deposits (interest, statements, accounts and investment options)~~

Conform the initial CRD for LGIRs (and ETUs) to Order 2023; change the CRD for SGIRs to generally conform, reduce SGIR Transitional Cluster Study CRD

Glenvale Proposal

3. ~~Provide for reduced CRD where Existing Generator IR does not increase net generation~~

Redlines of Schedule 22, Schedule 23 and Schedule 25 provided.

Glenvale consulted experienced FERC counsel regarding the proposed amendment, and believes it is consistent with the Commission's intentions and other policy goals including open access to transmission.

Prior proposal # 1 – Glenvale and ISO-NE staff corresponded; Glenvale believes ISO-NE is best able to decide how and which changes to implement.

Prior proposal # 3 – presented complex drafting and definitional issues; while Glenvale feels the initiative was important, it was challenging to implement.

Proposal: Amend CRD Submitted w/ IR to Conform to Amount Included in Order 2023 for LGIR and ETU, Amend SGIP CRD to a Similar Calculation

Detailed Proposal	• For LGIRs and ETUs conform the initial CRD to Order 2023; this is twice the amount of the study deposits required by paragraph 502 (Order at p. 502, 503 and 692). (ETUs not included or mentioned in Order, treated like LGIRs.) • For SGIRs use a matching calc.; base amount of $70,000 plus $2,000/MW (SGIRs excluded from Cluster Study; p. 395, 1603). • For SGIR in Transitional Cluster Study use fixed amount of $250,000 (versus proposed $500,000). Order 2023 excluded SGIRs from Transitional Cluster Study (p. 395, 1603).
Basis for IEV	• Does not require a new IEV, as it is conforming to the Order w/r/t Schedule 22 (LGIP). Also conforms w/r/t Schedule 25. • Continues to require a CRD (is not conforming to the Order) with respect to Schedule 23 (SGIR), but now more closely follows the Order's calculated amounts for LGIP.
Benefits	• Does not restrict generators from accessing transmission, and supports the competitive market. In turn supports the three primary goals of ISO-NE, and ensures fair and open access to transmission. • Removes excessive CRDs, which are a barrier to accessing transmission for viable projects.

Additional Discussion

Rationale for Conforming LGIR and ETU CRD to the Order, Reducing SGIR CRD

- Conforms CRDs for LGIRs and ETUS to Order 2023, and extends a similar calculation to SGIRs. For the Transitional Cluster Study Glenvale proposes $250,000 CRD for SGIRs, versus ISO-NE at $500,000; the Commission excluded SGIRs. SGIRs also must fund application fee and study deposits. Refer to Appendix for tables comparing this and CRD proposals in other RTOs and by the Order.
- The Commission found that site control and CRDs based on MW were the appropriate readiness requirements. It also found a need to ensure continued access for new interconnection requests, especially from smaller developers (p. 704).
- ISO-NE uses the same language “two times the study deposit” as the Order, but has modified the cross-referenced study deposits. This makes the CRDs excessive, largely uniform, and out of conformance with the ordered amounts and intent.
- This amendment would result in CRDs that calculate based on project size. FERC found this approach compelling for the initial CRD (p. 692). The second and third CRDs are ordered to be calculated based on % of projects’ network upgrade costs (p. 693).
- For SGIRs, ISO-NE proposes CRD and to include them in the Cluster Study process. The Commission intentionally excluded SGIRs from the Cluster Study (p. 395, 1603), and thus had no CRD required for SGIR.
- CRDs should not be so onerous so as to be a barrier to entering the queue for viable projects. CRDs “are not intended to alone prevent speculative behavior”; intended to work with other reforms (p. 704).

Redlines on following pages are versus

the clean version of the

ISO New England drafts

published January 23rd, 2024 for Schedule 22 and 25,

and the

draft published February 9th, 2024 for Schedule 23

Schedule 22 Large Generator Interconnection Procedures

Section 3.4.2	• Identifies the requirements to file a complete IR. Modified to include the Ordered calculation. • Language is taken from the pro-forma LGIA Section 3.1.1.1 (Order page 1177), with the dollar values doubled, as per the Commission's intention, and eliminates the ISO-NE reference to "two times the study deposit".

(vii) a Commercial Readiness Deposit equal to:

i. -$70,000 plus $2,000 per MW for Interconnection Requests ≥ 20 MW < 80 MW, or;

ii. $300,000 for Interconnection Requests > 80 MW < 200 MW; or

iii. $500,000 for Interconnection Requests > 200 MW;~~two times the study deposit described in Section 3.4.1.1 of this LGIP~~

~~(vii)~~ in the form of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator, as described on the System Operator's public website, or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. The letter of credit must specify the name of the Interconnection Customer to which the Commercial Readiness Deposit corresponds. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,

Schedule 23 Small Generator Interconnection Procedures

Section 3.4.2	• Identifies the requirements to file a complete IR. Modified to include a calculation similar to the Order. • Language is taken from the pro-forma LGIA Section 3.1.1.1 (Order, page 1177), with the dollar values doubled (w/o references to <20 MW), as per the Commission's intention for LGIR, then eliminated the ISO-NE reference to "two times the study deposit".

(vi) a Commercial Readiness Deposit equal to $70,000 plus $2,000 per MW, ~~two times the study deposit described in Section 3.4.1.1 of this SGIP~~ in the form of an irrevocable letter of credit, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this SGIP,

Schedule 23 Small Generator Interconnection Procedures

Section 5.1.1.1.2 (2)	• Identifies the required CRD to enter the Transitional Cluster Study. Modified to a fixed sum of $250,000. The Order excluded SGIRs entirely, while ISO-NE proposes to include them in the Transitional Cluster Study. • As proposed by Glenvale, the cost for an SGIR to enter the Transitional Cluster Study is ~$365k, or ~$24k/MW for a 15 MW project. Whereas as proposed by ISO-NE it is $615k, or $41k/MW for a 15 MW project. This is compared to $5.3 M for an LGIR, which is $53k/MW for a 100 MW project and $21k/MW for a 250 MW project.

(2) A deposit of two hundred-fifty thousand ($250,000) ~~five hundred thousand ($500,000)~~ ~~one million dollars ($1,000,000)~~ for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and two hundred-fifty thousand ($250,000) for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service. The deposit shall be ~~for Interconnection Requests that completed Interconnection Studies for NR Interconnection~~

Schedule 25 Elective Transmission Upgrade Interconnection Procedures

Section 3.3.2

- Identifies the requirements to file a complete IR. Modified to include the Ordered calculation for LGIR.
- Language is taken from the pro-forma LGIA Section 3.1.1.1 (Order, page 1177), with the dollar values doubled, as per the Commission's intention for LGIR, and eliminate the ISO-NE reference to "two times the study deposit".

An Interconnection Customer seeking to join a Cluster shall submit its Interconnection Request to System Operator within, and no later than the close of, the Cluster Request Window. Interconnection Requests submitted outside of the Cluster Request Window will not be considered. To initiate and establish a valid Interconnection Request, Interconnection Customer must submit all of the following to the System Operator in the manner specified in Appendix 1 Interconnection Request to this ETU IP: (i) an, potentially non-refundable initial deposit of $50,000, (ii) a completed application in the form of Appendix 1, (iii) all information and deposits required under Section 3.3, and (iv) demonstration of one-hundred percent (100%) Site Control for any HVDC terminals associated with the ETU,. . Interconenction Customer shall also be required to provide a Commercial Readiness Deposit equal to

i. $70,000 plus $2,000 per MW for Interconnection Requests > 20 MW < 80 MW, or;

ii. $300,000 for Interconnection Requests ≥ 80 MW < 200 MW; or

iii. $500,000 for Interconnection Requests > 200 MW;~~two times the study deposit described in Section 3.1.1.1 of this ETU IP~~

Abbreviations Used

CRD	Commercial Readiness Deposit	**PJM**	PJM Interconnection LLC
ETU	Elective Transmission Upgrade		
FERC	The Federal Energy Regulatory Commission		
IA	Interconnection Agreement		
IC	Interconnection Customer		
IEV	Independent Entity Variation		
IR	Interconnection Request		
ISO-NE	ISO New England Inc.		
LGIA	Large Generator Interconnection Agreement		
LGIR	Large Generator Interconnection Request		
MW	Megawatt		
NY-ISO	The New York Independent System Operator Inc		
RTO	Regional Transmission Organization		

Appendix

Appendix 1A – Comparison of Proposed CRDs

- Comparison of proposed SGIR and LGIR CRDs by the Order, ISO-NE, Glenvale, and Other RTOs.

SGIR MW	Order	ISO New England	Glenvale
5	$0	$200,000	$80,000
10	$0	$200,000	$90,000
15	$0	$200,000	$100,000
20	$0	$200,000	$110,000

LGIR/ETU MW	Order	ISO New England	Glenvale	Other RTOs
20	$110,000	$500,000	$110,000	$80,000
50	$170,000	$500,000	$170,000	$200,000
75	$220,000	$500,000	$220,000	$300,000
80	$300,000	$500,000	$300,000	$320,000
150	$300,000	$500,000	$300,000	$600,000
200	$500,000	$500,000	$500,000	$800,000

- PJM uses $4,000 / MW in current transition process
- NY-ISO intends to use $4,000 / MW (currently uses $3,000 / MW)

Appendix 2B – Comparison of Proposed CRDs, Transition

- Comparison of proposed SGIR CRDs for the Transition Cluster Study by the Order, ISO-NE, Glenvale, and Other RTOs.

SGIR MW	Order	ISO New England *	Glenvale Proposed	Other RTOs **
5	$0	$500,000	$250,000	$20,000
10	$0	$500,000	$250,000	$40,000
15	$0	$500,000	$250,000	$60,000
20	$0	$500,000	$250,000	$80,000

- * ISO-NE updated the proposed CRD for SGIR's in the Transitional Cluster Study to $500,000 in the February 9th Redline (had indicated this in the December presentation but also had used $1,000,000 in prior redlines).
- ** Uses $4,000 / MW, which both PJM and NY-ISO intend to use in current proposed 2024 cluster study processes. Both RTOs propose to use alternatives to the Order 2023 Transitional Cluster Study

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