



Order 2023 Compliance

Amendment #3

February 15, 2024

Order 2023 Priority Stakeholder Proposals

United Proposals # 1-3

- **#1:** Establish an interconnection reforms working group and reporting requirements to reduce timelines.
- ~~#2:~~ Implement a robust and transparent Alternative Transmission Technology (ATT) evaluation process.
- **#3:** Provide a single and limited opportunity for eligible ICs to reduce project size (Offered jointly with RENEW)

RENEW Northeast Proposals # 1-3

- **#1:** Create an as-available capacity interconnection request option
- **#2:** Allocate study costs separately for NRIS and CNRIS portions of the cluster study
- ~~#3:~~ Allow resources with a completed SIS to qualify for capacity market activities through FCA 19 in 2024

New Leaf Energy # 1 & # 6

- **#1:** Continue to advance studies for late-stage projects in the interim, before transitional studies begin
- ~~#6:~~ Improve transparency regarding cluster and/or subgroup study methodologies, as well as cost allocation methodologies.

Order 2023 United Amendment Summary

United Proposals

1. ***Proposal #1: Establish an interconnection reforms working group and reporting requirements to reduce timelines.**
2. ~~Proposal #2: Implement a robust and transparent Alternative Transmission Technology (ATT) evaluation process.~~
3. ***Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size**
4. ~~Proposal #4: Explicitly include Dynamic Line Rating as an approved ATT.~~
5. ~~Proposal #5: Right-size the \$5M readiness deposit to \$2.25M.~~

* **Green** indicates amendment up for vote; ~~strike-throughs~~ have been withdrawn

Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size to avoid network upgrades

- **ISO-NE's proposal**: ICs cannot reduce their project size whatsoever to avoid network upgrades.
 - Upgrades can be prohibitively expensive, triggering withdrawals and restudies.
- **Overview of the United/RENEW proposal**:
 - Clarifies and codifies Order 2023's intent that projects may reduce their size for the purpose of avoiding network upgrades if the decrease in size is not a material modification.
 - The existing basis for determining materiality is used:
 - **Cost**: Is the reduction expected to cause another interconnection customer's costs to increase?
 - **Timing**: Does the reduction delay another interconnection customer's study?
 - If the answer to either of these is **yes**, the proposed reduction is **material** and may **not** be made.
 - If the answer to both is **no**, the proposed reduction is **not material** and **may** be made.
 - No extension to ISO's proposed timelines: Single opportunity to make requests, where ISO determines materiality while determining if a restudy is needed

Order 2023 on Project Size Reductions

- [Paragraph 287 of Order 2023](#) discusses why the Order does not explicitly permit customers to modify their interconnection requests to reduce or eliminate upgrades after receipt of the cluster study report: *"a reduction in size that may eliminate one interconnection customer's cost responsibility for a network upgrade **could** affect other interconnection customers in the cluster, either by increasing their costs or requiring a different network upgrade. This type of uncertainty could lead to further reductions, withdrawals, and restudies."*
 - Our amendment specifically addresses and prevents these concerns, by only allowing such reductions when they are *non-material* modifications.
- The very next sentence of P. 287 expressly permits such non-material reductions: *"We note, however, that interconnection customers may request a material modification assessment under section 4.4 of the pro forma LGIP for reductions and that **if those reductions are found to not be material, the interconnection customer may proceed with them without a loss of queue position.**"*
 - This amendment seeks only to clarify in the Tariff what it means for a project size reduction to be non-material, as described in this paragraph of the Order.

Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size to avoid network upgrades

ISO Proposed Process (as specified by Order):

- 20 calendar days after the cluster study report meeting
 - Customers must post readiness deposit equal to 5% of network upgrade costs and demonstrate continued site control or else be withdrawn from cluster
- 30 calendar days after the cluster study report meeting
 - ISO determines whether a restudy is needed (based on the withdrawals 10 days earlier)
- ISO begins restudy immediately (if needed)

Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size to avoid network upgrades

Amendment Proposed Process:

- 20 calendar days after the cluster study report meeting
 - Customers must post readiness deposit equal to 5% of network upgrade costs and demonstrate continued site control or else be withdrawn from cluster
 - **Customers may also request a size reduction to avoid certain network upgrades**
- 30 calendar days after the cluster study report meeting
 - ISO determines whether a restudy is needed (based on the withdrawals 10 days earlier)
 - **ISO determines whether the size reduction requests are material (prohibited) or non-material (allowed)**
- ISO begins restudy immediately (if needed)... **no change to timeline**

Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size to avoid network upgrades

Customers may request a size reduction to avoid certain network upgrades:

- May be a reduction to the facility size or to interconnection service level (NR, CNR, or both)
- Must specify which of the network upgrades identified in the cluster study report could potentially be avoided due to the reduction (customer remains responsible for the cost of all other network upgrades as though no reduction occurred)
- Must indicate if the customer will withdraw the proposed reduction or withdraw the interconnection request if the reduction is deemed material or incomplete
- Must provide updated data and models reflecting the reduction

Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size to avoid network upgrades

ISO determines whether the size reduction requests are material (prohibited) or non-material (allowed) :

- **Cost**

- If the decrease may avoid upgrades for which the customer is solely responsible, then there is no material cost impact to other customers
- For shared upgrades, if the ISO reasonably determines during the allotted time that a decrease request, when considered together with any other decrease requests, would not increase other customer's costs, then there is no material cost impact.

- **Time**

- If a cluster restudy is not already needed due to withdrawals, then all reduction requests will be deemed material as they would require a restudy which would delay other customers

Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size to avoid network upgrades

ISO notifies customer of materiality determination:

- **If the reduction is *non-material***, customer proceeds into the restudy at the reduced size
- **If the reduction is *material*** and the customer indicated it *would not* withdraw from the cluster if its decrease request is denied, customer proceeds into the restudy at the original size
- **If the reduction is *material*** and the customer indicated it *would* withdraw its interconnection request if its decrease request is denied, then the IC must withdraw from the cluster.
- As withdrawal occurs prior to commencement of the restudy, customer pays the applicable withdrawal penalty (2x study costs) and any remaining readiness deposit is refunded

Proposal #3: Tariff Redlines

SECTION I. DEFINITIONS

Reference new section 4.4.2.1 in Material Modification Definition

Material Modification shall mean: (i) except as expressly provided in Sections 4.4.1 and 4.4.2.1, those modifications to the Interconnection Request, including any of the technical data provided by the Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by the Interconnection Customer, that either require significant additional study of the same Interconnection Request and could substantially change the interconnection design, or have a material impact (*i.e.*, an evaluation of the proposed modification cannot be completed in less than ten (10) Business Days)-on the cost or timing of any Interconnection Studies or upgrades associated with an Interconnection Request with an equal or later queue priority date~~Queue Position~~; (ii) a change to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered

Proposal #3: Tariff Redlines

4.4 Modifications.

4.1

Clarify that outside of the process described in 4.4.2.1, any reduction in project size may not reduce customer's upgrade requirements, in keeping with ISO practice (restoring language struck out just above)

4.4.1 Prior to the ~~return commencement~~ of the ~~Interconnection System Impact Study~~ Cluster Study Agreement, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed Large Generating Facility, through either (1) a decrease in facility size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP) accomplished by applying System Operator-approved injection-limiting equipment proposed by the Interconnection Customer and subject to review in the Interconnection System Impact Study; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. ~~Notwithstanding the foregoing, an Interconnection Customer may decrease the electrical output of a proposed Large Generating Facility after the Cluster Entry Deadline specified in Section 4.2.3.1 of this LGIP; however, the requesting Interconnection Customer remains responsible for costs corresponding to the megawatt quantity requested as of the Cluster Entry Deadline.~~ Notwithstanding the foregoing, an Interconnection Customer may decrease the electrical output of a proposed Large Generating Facility after the return of the Cluster Study Agreement, however, the requesting Interconnection Customer remains responsible for costs corresponding to the megawatt quantity requested as of the return of the Cluster Study Agreement, except when such decrease is made pursuant to Section 4.4.2.1 of this LGIP.

Proposal #3: Tariff Redlines

4.4.2.1

Specify timeline and requirements for requesting project size reduction

4.4.2.1 Subject to the provisions of Section 4.4.2 of this LGIP, within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer may request that the System Operator and Interconnecting Transmission Owner evaluate whether a modification to decrease the electrical output (MW) of a proposed Large Generating Facility through either (1) a decrease in facility size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP), for the purpose of reducing its Network Upgrade requirements and associated cost allocation, is a Material Modification. At the same time such modification request to decrease electrical output is made, Interconnection Customer shall

(a) specify one or more Network Upgrades identified in the Cluster Study Report that could potentially be avoided through the proposed decrease in electrical output. For all other Network Upgrades not so specified, Interconnection Customer remains responsible for costs corresponding to the megawatt quantity requested as of the return of the Cluster Study Agreement.

(b) indicate whether it will withdraw the proposed modification or withdraw its Interconnection Request if the proposed modification is determined to constitute a Material Modification or if the request is deemed incomplete.

Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the data and models described in Attachment A to the Appendix 1 of this LGIP.

Proposal #3: Tariff Redlines

4.4.2.1 continued

Specify timeline and process for ISO and ITO to review requests and make a determination of materiality

System Operator and Interconnecting Transmission Owner shall evaluate, at Interconnection Customer's cost, any such decrease request that meets all of the requirements of this section 4.4.2.1, where the Interconnection Customer has also met all requirements of Section 7.5(1) of this LGIP to demonstrate continued Site Control and bring the total Commercial Readiness Deposit to five percent (5%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study. Any request deemed incomplete by the System Operator will not be evaluated, System Operator shall notify Interconnection Customer in writing, and Interconnection Customer shall have no opportunity to cure.

Within thirty (30) Calendar Days after the Cluster Study Report Meeting, System Operator and Interconnecting Transmission Owner shall determine whether the requested decrease, when considered together with any other decrease requests, withdrawals, and any other changes of relevance to the cluster that may have occurred, is expected to have a material impact on the cost or timing of any Interconnection Studies or upgrades associated with an Interconnection Request with an equal or later Queue Position.

Proposal #3: Tariff Redlines

4.4.2.1 continued

Specify how materiality of timing impact is determined.

Specify how materiality of cost impact is determined.

If System Operator and Interconnecting Transmission Owner determine, pursuant to Section 7.5(3) of this LGIP, that a Cluster Restudy is not necessary, then all decrease requests submitted pursuant to this Section 4.4.2.1 will be deemed to have a material impact on the timing of an equal or later Queue Position and shall constitute a Material Modification. If System Operator and Interconnecting Transmission Owner determine, pursuant to Section 7.5(4) of this LGIP, that a Cluster Restudy is necessary regardless of any decrease requests, then decrease requests shall not be considered to have a material impact on the timing of any Interconnection Studies or upgrades associated with an Interconnection Request with an equal or later Queue Position.

Under the circumstance that a Cluster Restudy is necessary, System Operator and Interconnecting Transmission Owner shall determine whether the decrease request, considered together with any other decrease requests, will have a material impact on the cost of any upgrades associated with an Interconnection Request with an equal or later Queue Position, where only cost increases are considered to be a material impact. If the decrease request is applicable only to Network Upgrades for which the Interconnection Customer does not share in the cost assignment with any other Interconnection Customer, then the decrease request will be deemed not to constitute a Material Modification. If the decrease request is applicable to Network Upgrades for which the Interconnection Customer does share in the cost assignment with any other Interconnection Customer, and if System Operator and Interconnection Transmission Owner reasonably determine that no material cost increase is expected to occur, then the decrease request shall be deemed not to constitute a Material Modification.

Proposal #3: Tariff Redlines

4.4.2.1 continued

Specify next steps after determination:

- withdrawal of interconnection request if applicable and withdrawal penalty provisions
- proceed into restudy with reduction if applicable, evaluate if any upgrades may be reduced, update cost allocation

If the requested decrease in electrical output is determined to constitute a Material Modification and Interconnection Customer indicated at the time it submitted its decrease request that it would withdraw its Interconnection Request based on that determination, then the Interconnection Request shall be deemed withdrawn prior to commencement of the Cluster Restudy or Interconnection Facilities Study for purposes of determining the applicable withdrawal penalty pursuant to Section 3.7.1.1 of this LGIP.

If the requested decrease in electrical output is determined not to constitute a Material Modification, the Interconnection Customer shall proceed with the specified modification to decrease its electrical output. In the Cluster Restudy, the System Operator shall evaluate whether any of the Network Upgrade requirements specified by the customer pursuant to Section 4.4.2.1(a) of this LGIP may be reduced as a result of the modification and, if so, shall update the cost allocation accordingly.

Thank you

Please reach out to Alex Lawton (alawton@advancedenergyunited.org) and Abby Krich (krich@boreasrenewables.com) for any questions or feedback.

Appendix

Proposal #3: Provide a single and limited opportunity for eligible ICs to reduce project size to avoid network upgrades

Summary table of project size reduction process

IC Size Reduction Request	ISO Determination	Re-Study?	
		Yes	No
Conditional →	Material →	Withdraw: IC must withdraw	N/A
	Not Material →	Reduce: proceed to cluster at reduced size	N/A
Unconditional →	Material →	No Reduction: proceed to cluster at original size	N/A
	Not Material →	Reduce: proceed to cluster at reduced size	N/A