

To: NEPOOL Participants Committee

From: Alan McBride, Executive Director, Transmission Services & Resource Qualification

Date: March 1, 2024

Subject: Participants Committee Updates Regarding ISO New England's Order No. 2023 Compliance Proposal

Since September of 2023, the ISO has been presenting and discussing its proposed approach to comply with the Federal Energy Regulatory Commission's (FERC) Order No. 2023. New England's Order 2023 compliance comprises a significant package of reforms that incorporates key aspects of our regional interconnection approach, as well as multiple Stakeholder-suggested enhancements. This memo describes additional updates to the proposed compliance since the February 15 Transmission Committee (TC) meeting. These updates adopt changes that are based upon Stakeholder-proposed amendments and questions at the TC. Importantly, each of these additions can be incorporated without adding to the overall timeframes or decreasing the efficiency of the new process.

"As-available" CNR Interconnection

An Interconnection Customer (IC) may specify in its Interconnection Request (IR) for Capacity Network Resource (CNR) Interconnection Service that the requested service be downgraded to Network Resource (NR) Interconnection Service under certain conditions. Specifically, in the event that the ISO identifies thermal violations¹ in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the preceding analysis associated with the NR Interconnection Service testing conditions, the downgrade will be permitted and will occur automatically. The ISO will notify the IC that the requested service has been downgraded to NR Interconnection Service, and list the violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report or Transitional Cluster Study Report.

One-Time Opportunity to Downsize Project

After the completion of a Cluster Study (not including the Transitional Cluster Study), if the ISO determines that a Cluster Restudy is required (because of the withdrawal of other projects), an IC of a remaining project may request a specific, one-time decrease in the size of the Generating Facility or Elective Transmission Upgrade for the restudy. Provided that the Cluster Study identified that the associated IR is

¹ For clarity, unchanged from the current practice and as described in [Planning Procedure 10](#), such a thermal violation could include a transfer above the interface transfer capability of the modeled intra-zonal stability or voltage-limited interface.

not responsible for any shared Network Upgrades with a Generating Facility or Elective Transmission Upgrade proposed in a separate IR, the restudy will proceed using the reduced facility size and such reduction will not constitute a Material Modification.

Completion of Late-Stage System Impact Studies

For ICs with assigned Queue Positions as of thirty Calendar Days after April 1, 2024, but for which System Impact Studies are projected to be completed between May 1, 2024 and June 30, 2024, the ISO will still tender the IC a Transitional Cluster Study Agreement. However, if the System Impact Study is complete and accepted by the IC by July 1, 2024, the IR would no longer proceed to the Transitional Cluster Study. Instead, the IC will be tendered an Interconnection Agreement pursuant to the applicable provisions in the respective Interconnection Procedures, and will be refunded any deposits (if any deposits had been submitted by that time) associated with participation in the Transitional Cluster Study.

Transitional CNR Group Study/Forward Capacity Market Participation (requested clarification)

Where an IR successfully participates in the Transitional CNR Group Study and then later obtains a Capacity Supply Obligation (CSO) in the Forward Capacity Market (FCM), the rules governing any termination of the Capacity Network Resource Capability will be governed by the relevant FCM rules (Critical Path Schedule monitoring).

The ISO is thankful for the Stakeholders' engagement and all of the input provided on our proposal to comply with Order No. 2023, and we are pleased that we have been able to work through so many issues with our Stakeholders. Together with the memo, the materials for the Participants Committee meeting will include the Tariff rules reflecting incremental changes made since the March TC meeting. We are looking forward to presenting the New England proposal to FERC and implementing these important reforms.