



May 14, 2024

VIA ELECTRONIC FILING

The Honorable Debbie-Anne Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Revisions to the ISO New England Inc. Transmission, Markets and Services Tariff
in Compliance with Order Nos. 2023 and 2023-A;
Docket Nos. RM22-14-____, ER24-____-000**

**REQUEST FOR AN EFFECTIVE DATE OF AUGUST 12, 2024, AND AN ORDER ON OR
BEFORE THAT DATE**

Dear Acting Secretary Reese:

Pursuant to Rule 1907 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure¹ and Section 206 of the Federal Power Act ("FPA"),² ISO New England Inc. ("ISO-NE" or "ISO")³ joined by the New England Power Pool ("NEPOOL") Participants Committee, and the Participating Transmission Owners Administrative Committee ("PTO AC") on behalf of the New England Participating Transmission Owners ("PTOs") (together, the "Filing Parties")⁴ hereby jointly submit this transmittal letter and proposed revisions to Sections I, II, and III of the Tariff that are

¹ 18 C.F.R. § 385.1907.

² 16 U.S.C. §§ 824e.

³ Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in Section I.2.2 of the ISO-NE Transmission, Markets and Services Tariff (the "Tariff"). Section II of the Tariff contains the Open Access Transmission Tariff (the "OATT"). Section III of the Tariff contains the Market Rules.

⁴ The Filing Parties note that the rights under Section 205 of the FPA to modify terms, conditions and rates in the Tariff that are being filed herein are held and exercised solely by the ISO, with the limited exception of Schedule 11 of the OATT over which the PTOs jointly hold the Section 205 rights, and Schedules 22 and 23 of the OATT over which the ISO shares Section 205 rights with the PTOs in the manner specified in Article 3.04 of the Transmission Operating Agreement between the PTOs and the ISO (the "TOA"). NEPOOL, which pursuant to the Participants Agreement provides the sole Participant Process for advisory voting on ISO matters, supported the changes reflected in this filing and, accordingly, joins in this filing.

necessary to comply with the Commission's landmark order on *Improvements to Generator Interconnection Procedures and Agreements*, Order Nos. 2023 and 2023-A.⁵ The proposed revisions are collectively referred to as the "Order No. 2023 Revisions."

The Order No. 2023 Revisions being submitted in this filing, together with the changes included in the companion filing being submitted concurrently pursuant to Section 205 of the FPA (referred to as the "Order No. 2023 Related Changes"),⁶ are necessary to achieve compliance with Order No. 2023, in particular, the requirement to move to a first-ready, first-served cluster study construct in which all Interconnection Requests included in a given cluster are considered equally queued, in a seamless and implementable manner. To facilitate this, the Filing Parties have incorporated the Order No. 2023 Revisions proposed herein in the Tariff eTariff base case that includes the Order No. 2023 Related Changes submitted in the FPA Section 205 filing. The Order No. 2023 Related Changes include revisions to Tariff: Section II, Schedules 23 and 25 – Elective Transmission Upgrade ("ETU") Interconnection Procedures ("ETU IP"), as well as Sections II.19 and II.34 related to Regional Network Service and Through or Out Service requests. The Order No. 2023 Revisions submitted as part of this filing build on those rules and include changes to Tariff: Section I.2.2;⁷ Section II.48; Section II, Attachment K and Schedules 11, 22, and 23;⁸ and Section III.13.

The Filing Parties submit that all of the Order No. 2023 Revisions are within the scope of the compliance obligations required by Order Nos. 2023 and 2023-A, because those obligations impact not only the ISO-NE LGIP, but also an array of other rules in the Tariff, as described below. The Filing Parties recognize that the Commission's regulations and precedent generally disallow filings that propose changes pursuant to both Sections 205 and 206 of the FPA.⁹ The Commission has explained

⁵ *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,051 (2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199 (2024).

⁶ See *ISO New England Inc.*, Revisions to Section II of ISO Tariff Related to Compliance with Order Nos. 2023 and 2023-A, Docket No. ER24-2007 (May 14, 2024).

⁷ Section 1.2.2 of the Tariff is being updated to reflect new definitions incorporated in Schedule 22 for terms that are used in other sections of the Tariff, and to delete existing terms that are no longer being used. All substantive definitional changes are contained in Schedule 22.

⁸ Order No. 2023 revised the Commission's *pro forma* Large Generator Interconnection Procedures ("LGIP"), *pro forma* Large Generator Interconnection Agreement ("LGIA"), *pro forma* Small Generator Interconnection Procedures ("SGIP"), and *pro forma* Small Generator Interconnection Agreement ("SGIA"). Schedule 22 of the OATT contains ISO-NE's *pro forma* Large Generator Interconnection Procedures ("ISO-NE LGIP") and *pro forma* Large Generator Interconnection Agreement ("ISO-NE LGIA"). Schedule 23 contains ISO-NE's *pro forma* Small Generator Interconnection Procedures ("ISO-NE SGIP") and *pro forma* Small Generator Interconnection Agreement ("ISO-NE SGIA").

⁹ See 18 C.F.R. § 154.203(b) ("Filings made to comply with Commission orders must include only those changes required to comply with the order. Such compliance filings may not be combined with other rate or tariff change filings.").

that “instead of combining filings, filers can make separate filings for each type of filing contemplated -- each filing containing the portions relevant to the specific filing type.”¹⁰

Consistent with this guidance, the Order No. 2023 Revisions include those rules that the Filing Parties have identified as directly required for compliance with Order Nos. 2023 and 2023-A, and are submitting a companion filing simultaneously, pursuant to Section 205 of the FPA, to revise aspects of the Tariff that are impacted by the changes required in Order Nos. 2023 and 2023-A, but may be viewed as not necessarily within the orders’ compliance obligations. As such, the companion FPA Section 205 filing seeks to harmonize aspects of the ISO-NE SGIP, ETU IP, and other Tariff rules that are impacted by the Order Nos. 2023 and 2023-A compliance obligations to address the disruption to the various processes contained therein, avoid inconsistencies between Tariff procedures, and ensure a seamless and implementable transition.

To the extent, however, that the Commission determines that any of the Order No. 2023 Revisions proposed herein are beyond the scope of the Commission’s mandates in Order Nos. 2023 and 2023-A, the Filing Parties consent to the Commission considering those changes as part of the Order No. 2023 Related Changes filed pursuant to FPA Section 205 in Docket No. ER24-2007. The two sets of rules work in tandem and are necessary to ensure that the ISO’s Interconnection Procedures remain aligned with the ISO’s Tariff, markets and operational constructs, and, as such, the Filing Parties also request that the Commission consider both filings at the same time.

The Filing Parties respectfully submit that the Order No. 2023 Revisions fully comply with the requirements in Order Nos. 2023 and 2023-A. As described below, the Order No. 2023 Revisions largely reflect the reforms set forth in Order Nos. 2023 and 2023-A, with certain variations proposed under the standards established in Order Nos. 2003.¹¹ Accordingly, the Filing Parties respectfully request that the Commission accept them as proposed herein with an effective date of August 12, 2024, and that the Commission issue an order on or before that date. A Commission order accepting the Order No. 2023 Revisions effective **August 12, 2024**, is necessary to facilitate implementation of the Transitional Cluster Group Study proposed herein. As explained below, the ISO’s ability to conduct the Transitional Cluster Group Study is a one-time opportunity to facilitate late-stage Interconnection Customers’ ability to achieve capacity interconnection service through the interim reconfiguration qualification activities being conducted in 2024 pursuant to Section III.13.A.2 of the Tariff.¹² The ISO plans to commence implementation activities associated with the transition process as early as May 20, 2024, and a prompt order will ensure that that implementation process can continue without interruption, providing certainty to Interconnection Customers.

¹⁰ *Electronic Tariff Filings*, 130 FERC ¶ 61,047, at P 8 n.13 (2010).

¹¹ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103 (2003), *order on reh’g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh’g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh’g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff’d sub nom. Nat’l Ass’n of Regulatory Util. Comm’rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

¹² *ISO New England Inc., et al.*, 186 FERC ¶ 61,001 (2024).

I. EXECUTIVE SUMMARY

In Order Nos. 2023 and 2023-A, the Commission adopts the most significant reforms to the procedures and agreements used to interconnect Large Generating Facilities since Order No. 2003, and also adopts limited changes applicable to Small Generating Facilities. According to the Commission's orders, these reforms are intended to address interconnection queue delays, backlogs, and inefficiencies, and the advent of new technologies, and also to expedite the clean energy transition. The reforms fall generally into three main categories, *i.e.*, reforms to: (1) implement a first-ready, first-served cluster study process; (2) increase the speed of interconnection queue processing; and (3) incorporate technological advancements into the interconnection process.

Of these reforms, the most consequential requirement is that transmission providers eliminate the long-standing first-come, first-served interconnection study process and instead implement a first-ready, first-served cluster study process under which Interconnection Requests included in a given cluster are considered equally queued. Transmission providers are also required to engage in a transition process for projects proposed in Interconnection Requests currently in the queue. Depending on their status in the queue, pending Interconnection Requests may be studied either individually in Transitional Interconnection Facilities Studies, or collectively as part of one large Transitional Cluster Study.

To comply with Order Nos. 2023 and 2023-A, ISO-NE developed a comprehensive compliance package, comprised of the Order No. 2023 Revisions filed herein and submitted in the companion FPA Section 205 filing in Docket No. ER24-2007.¹³ The comprehensive compliance package received unanimous support from the New England stakeholders, transmission owners and states in the NEPOOL stakeholder process.¹⁴

As described in Section IV of this transmittal letter, the Order No. 2023 Revisions adopt most of the specific changes to the *pro forma* agreements, as required in Order Nos. 2023 and 2023-A, with certain important variations. These variations address unique features of the existing New England interconnection process, which the Order No. 2023 Revisions modify to incorporate the new Cluster Study Process under which each request is considered equally queued.

New England's Interconnection Procedures, as described in Section III, have been customized from inception to account for the unique characteristics of the region's Tariff, markets, and operations, while still advancing the Commission's core objectives. The Interconnection Procedures have been subsequently enhanced to address challenges unique to the region pursuant to filings under Section 205 of the FPA. Therefore, the Order No. 2023 Revisions proposed herein reflect variations necessary to conform the changes set forth in Order Nos. 2023 and 2023-A to the unique constructs, definitions, and terminology of the region's Tariff that were previously accepted by the Commission under the standards

¹³ The Order No. 2023 Revisions have been proposed on the assumption that the Commission adopts the Order No. 2023 Related Changes filed in Docket No. ER24-2007. Therefore, the Order No. 2023 Revisions to Schedule 23 are limited to revisions to sections of the SGIA (*i.e.*, SGIA Article 1.5.7) not already addressed in that docket.

¹⁴ See *ISO New England Inc.*, 186 FERC ¶ 61,076 (2024), Clements Concurrence at p. 2 (explaining the importance of stakeholder support in evaluating complex Tariff amendment proposals).

established in Order No. 2003, including the “independent entity variation” standard. The Order No. 2023 Revisions also make certain enhancements to the *pro forma* amendments that are “consistent with or superior to” the *pro forma* revisions as further described below.

Section IV describes the Order No. 2023 Revisions in the same sequence in which they appear in Order Nos. 2023 and 2023-A and identifies the proposed variations from the *pro forma* changes adopted therein. The variations achieve the objectives set forth by the Commission in Order Nos. 2023 and 2023-A.¹⁵ Specifically, the Order No. 2023 Revisions accomplish the goals of Order Nos. 2023 and 2023-A by fully implementing a first-ready, first-served cluster study process, which includes the establishment of increased commercial readiness requirements and withdrawal penalties, and correspondingly, they adopt firm study deadlines and penalties for late studies. They also implement the changes that extend flexibility to facilitate interconnection of new technologies..

II. DESCRIPTION OF THE FILING PARTIES AND COMMUNICATIONS

ISO-NE is a private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. ISO-NE plans and operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the Tariff and the TOA with the New England PTOs. In its capacity as an RTO, ISO-NE is responsible for protecting the short-term reliability of the New England Control Area and operating the system according to reliability standards established by the Northeast Power Coordinating Council and the North American Electric Reliability Corporation (“NERC”).

Pursuant to the terms of the TOA among the PTOs¹⁶ and ISO-NE, the PTOs own, physically operate and maintain Transmission Facilities in New England and ISO-NE has Operating Authority (as defined in Schedule 3.02 of the TOA) over all of the Transmission Facilities of the PTOs, including those used to provide Local Service over non-Pool Transmission Facilities under Schedule 21 of the OATT. Section 3.04 of the TOA also grants the PTOs authority

¹⁵ Order No. 2023 at PP 37-40.

¹⁶ The PTOs include: Town of Braintree Electric Light Department; Central Maine Power Company; Chicopee Municipal Lighting Plant; Connecticut Municipal Electric Energy Cooperative; Connecticut Transmission Municipal Electric Energy Cooperative; Eversource Energy Service Company on behalf of The Connecticut Light and Power Company, Public Service Company of New Hampshire and NSTAR Electric Company; Fitchburg Gas and Electric Light Company; Green Mountain Power Corporation; The City of Holyoke Gas and Electric Department; Town of Hudson Light and Power Department; Maine Electric Power Company; Massachusetts Municipal Wholesale Electric Company; Town of Middleborough Gas & Electric Department; The Narragansett Electric Company d/b/a Rhode Island Energy; New England Power Company d/b/a National Grid; New Hampshire Electric Cooperative, Inc.; New Hampshire Transmission, LLC; Town of Norwood Municipal Light Department; Town of Reading Municipal Light Department; Shrewsbury Electric and Cable Operations; Town of Stowe Electric Department; Taunton Municipal Lighting Plant; The United Illuminating Company; Unitil Energy Systems, Inc.; Vermont Electric Cooperative, Inc.; Vermont Electric Power Company, Inc.; Vermont Public Power Supply Authority; Vermont Transco LLC; Versant Power; and Town of Wallingford, CT, Department of Public Utilities, Electric Division.

to submit filings to the Commission pursuant to Section 205 of the FPA in matters affecting the rates, terms and conditions of Local Service under Schedule 21 and rates and charges, including cost allocation, for Regional Transmission Service under the OATT.

The signatories to the New England Power Pool Agreement, which was first entered into in 1971, are referred to collectively as “NEPOOL.” Currently, there are more than 530 signatories, which are referred to either as “Participants” or “members.” Participants include all of the electric utilities rendering or receiving services under the Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, demand response providers (including owners of distributed generation and aggregators of such generation), developers, end users, and a merchant transmission provider. Pursuant to revised governance provisions accepted by the Commission, the Participants act through the NEPOOL Participants Committee. Section 6.1 of the Second Restated NEPOOL Agreement and Section 8.1.3(c) of the Participants Agreement authorize the Participants Committee to represent NEPOOL in proceedings before the Commission. Through the Commission-approved Participant Processes, NEPOOL is the vehicle through which all stakeholders with business interests in New England are able to provide informed input and advice to ISO-NE.

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*Persons designated for service.¹⁷

¹⁷ The Filing Parties respectfully request a waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure to allow for the inclusion of more than two persons on the service list in this proceeding. See 18 C.F.R. § 385.203(b)(3).

III. BACKGROUND

A. Order No. 2023

Order No. 2023, issued on July 28, 2023, reforms the Commission's *pro forma* LGIP and LGIA and *pro forma* SGIP and SGIA. The reforms build on the standardized procedures that the Commission established in Order Nos. 2003,¹⁸ 2006,¹⁹ and 845²⁰ to address interconnection queue backlogs, improve certainty, and prevent undue discrimination for new technologies. Specifically, the Commission found that its existing standardized generator interconnection procedures and agreements were insufficient to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner.²¹ According to Order No. 2023, the growth of new resources seeking to interconnect to the transmission system and the differing characteristics of those resources have created new challenges for the generator interconnection process. These new challenges have led to queue backlogs, uncertainty regarding the cost and timing of interconnecting to the transmission system, and increasing costs for consumers, which, in turn, can create reliability issues as needed new generating facilities are unable to come online in an efficient and timely manner. The Commission concluded that, absent reforms, the current interconnection process will continue to cause queue backlogs, longer development timelines, and increased uncertainty regarding the cost and timing of interconnecting to the transmission system. Accordingly, pursuant to Section 206 of the FPA, the Commission adopted reforms to its *pro forma* LGIP/LGIA and SGIP/SGIA in Order No. 2023.

These reforms dramatically change the manner in which ISO-NE administers the interconnection process, as well as how Interconnection Customers are expected to participate in that process. The specific reforms fall into three general categories. First, to implement a first-ready, first-served cluster study process, Order No. 2023 adopts new requirements relating to interconnection information access, cluster study processes, allocation of cluster study costs, allocation of cluster network upgrade costs, increased financial commitments and readiness requirements, and implementation of a transition process. Second, to expedite interconnection queue processing, Order No. 2023 eliminates the long-standing reasonable efforts standard for completing interconnection studies, establishes processes for conducting Cluster Studies and, correspondingly, adopts a new penalty construct for late studies, and incorporates uniform affected systems rules. Third, to advance new technologies, Order No. 2023 requires transmission providers to increase flexibility in the process by considering certain enumerated alternative transmission technologies in the study process and establishing modeling and ride-through requirements for non-synchronous generating facilities.

¹⁸ See Order No. 2003 at PP 1, 616.

¹⁹ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 111 FERC ¶ 61,220, at PP 15, 35-36, *order on reh'g*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005), *order granting clarification*, Order No. 2006-B, 116 FERC ¶ 61,046 (2006).

²⁰ *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845, 163 FERC ¶ 61,043, at P 24 (2018), *order on reh'g*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh'g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019).

²¹ Order No. 2023 at P 37.

To implement these reforms, Order No. 2023 directs public utility transmission providers to revise the LGIP, LGIA, SGIP, and SGIA in their respective OATTs.²² Consistent with prior rulemakings revising *pro forma* interconnection processes, however, the Commission states that it will evaluate compliance filings in light of the independent entity variations standard set forth in Order No. 2003.

Specifically, in Order No. 2003, the Commission established the *pro forma* interconnection procedures and agreements, which include the terms and conditions under which public utility transmission providers must provide Interconnection Service to Large Generating Facilities. However, while Order No. 2003 recognized the need to establish an overarching national framework for Generating Facility interconnections, it also acknowledged the need for regional flexibility because of the vastly different network electrical characteristics, market structures and fundamentals, and the different composition of the interconnection queues across the nation.²³ In the case of RTOs, the Commission indicated that it would consider independent entity variations from the *pro forma* interconnection procedures and agreements, recognizing that “an RTO [] has different operating characteristics, depending on its size and location, and is less likely to act in an unduly discriminatory manner than a Transmission Provider that is a market participant.”²⁴

In Order No. 2006, the Commission also provided that an RTO may seek an “independent entity variation” from the final rule, which permits an RTO to adopt interconnection procedures that are responsive to specific regional needs.²⁵ The Commission reviews variations proposed by an RTO “to ensure that they do not provide an unwarranted opportunity for undue discrimination or produce an interconnection process that is unjust and unreasonable.”²⁶ The Commission also has explained that to meet this standard, “[i]t is not a sufficient justification to state that a variation conforms to current RTO[]

²² See Order No. 2023 at P 1.

²³ See Order No. 2003 at P 827 (recognizing the differing characteristics of each region and providing RTOs with the flexibility to seek independent entity variations from the final rule “to customize its interconnection procedures and agreements to fit regional needs”).

²⁴ *New England Power Pool*, 109 FERC ¶ 61,155, at P 2 (2004) (“Order No. 2003 Compliance Order”) (citing Order No. 2003 at P 827); see also *Sw. Power Pool, Inc.*, 187 FERC ¶ 61,050, at PP 3, 20, 20 n.49 (2024) (accepting SPP’s revisions to its tariff’s *pro forma* LGIP on the grounds that proposed deviations from the Commission’s *pro forma* LGIP established in Order Nos. 2003, 845, and 2023, “are just and reasonable and not unduly discriminatory or preferential and accomplish the purposes of Order Nos. 845 and 2023”); *Midcontinent Indep. Sys. Operator, Inc.*, 186 FERC ¶ 61,054, at PP 3, 32, 75 n.148, *order on reh’g*, 187 FERC ¶ 61,031, at P 24 n.65 (2024); *ISO New England, Inc. v. New England Power Pool*, 110 FERC ¶ 61,335 (2005).

²⁵ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 111 FERC ¶ 61,220, at P 176, *order on reh’g*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005), *order on clarification*, Order No. 2006-B, 116 FERC ¶ 61,046 (2006).

²⁶ *ISO New England Inc.*, 115 FERC ¶ 61,050, at P 12 (2006) (citing *PJM Interconnection, L.L.C.*, 108 FERC ¶ 61,025, at P 7 (2004); *Midwest Indep. Transmission Sys. Operator, Inc.*, 114 FERC ¶ 61,270, at P 29 (2006)).

practices or to the RTO's[] tariff definitions and terminology . . . [but] it must still justify its variations in light of the Commission's *pro forma* [OATT].²⁷

Order No. 2023 continues to apply the flexible “independent entity variation” standard to RTOs:

Consistent with Order Nos. 2003, 2006, and 845, we adopt the NOPR proposal to continue to use the ‘independent entity variation’ standard when considering such proposals from RTOs[]. Consistent with Order Nos. 888, 890, 2003, 2006, and 845, we adopt the NOPR proposal to continue to allow non-RTO[] transmission providers to use the regional differences rationale to seek variations made in response to established reliability requirements. In this final rule, we make no changes to the standards used to judge requested variations, as described in Order Nos. 888, 890, 2003, 2006, and 845.

We reject requests to presume that any transmission provider's tariff meets the requirements of this final rule. We recognize that many transmission providers have adopted or are in the process of adopting similar reforms to those adopted in this final rule. We do not intend to disrupt these ongoing transition processes or stifle further innovation. On compliance, transmission providers can propose deviations from the requirements adopted in this final rule – including deviations seeking to minimize interference with ongoing transition plans – and demonstrate how those deviations satisfy the standards discussed above, which the Commission will consider on a case-by-case basis.²⁸

B. Order No. 2023-A

On March 21, 2024, the Commission issued Order No. 2023-A, addressing requests for rehearing and clarification of Order No. 2023.²⁹ While Order No. 2023-A largely affirms Order No. 2023, it sets aside Order No. 2023, in part, to specify that:

- Where an Interconnection Customer is in the interconnection queue of a transmission provider that currently uses, or is transitioning to, a cluster process, and the transmission provider proposes on compliance to adopt new readiness requirements for its annual cluster study, the customer must comply with the new readiness requirements within sixty days of the Commission-approved effective date of the transmission provider's compliance filing;³⁰

²⁷ *ISO New England Inc.*, 170 FERC ¶ 61,218, at P 26 (2020).

²⁸ Order No. 2023 at PP 1764-65 (citations omitted).

²⁹ See generally Order No. 2023-A.

³⁰ Order No. 2023-A at P 7. This requirement is not applicable as the Filing Parties propose to adopt the transition process required by Order No. 2023.

- Interconnection Customers that share Stand Alone Network Upgrades (i.e., upgrades that may be constructed without affecting day-to-day operations of the system during the construction) may agree to exercise the option to build such upgrades, but Interconnection Customers must reach this agreement on their own and outside the transmission provider's process;³¹
- Transmission providers must complete their determination that an interconnection request is valid by the close of the cluster request window such that only Interconnection Customers with valid interconnection requests proceed to the customer engagement window;³² and
- Acceptable forms of security for the commercial readiness deposits prior to the Transitional Serial Study, Transitional Cluster Study, Cluster Rerestudy and the Interconnection Facilities Study should include not only cash or an irrevocable letter of credit, but also surety bonds and other forms of financial security that are reasonably acceptable to the transmission provider.³³

Order No. 2023-A also grants requests for clarification on several topics, including conflicts with ongoing queue reforms, public interconnection information, cluster study process, allocation of cluster network upgrade costs, shared network upgrades, withdrawal penalties, study delay penalty and appeal structure, affected systems, material modifications, surplus interconnection service availability, operating assumptions for interconnection studies, alternative transmission technologies, and generator ride-through requirements.³⁴

Most notably, Order No. 2023-A maintains the 150-day cluster study deadlines for *pro forma* studies, but, importantly, clarifies that Order No. 2023 does not prevent transmission providers from proposing tariff-defined study deadlines that may differ from the 150-day schedule.³⁵ Order No. 2023-A also clarifies that cost allocation for substation network upgrades is based on the number of interconnection facilities connecting to the substation located at the Point of Interconnection based on the voltage level of the interconnections.³⁶ Therefore, to allocate these upgrades per capita to each Generating Facility, as Order No. 2023 requires, the transmission owner must first allocate the costs of substation network upgrades on a per capita basis for each customer connecting to the substation, and then allocate costs on a per capita basis between each generating facility using the Interconnection Facility. Order No. 2023-A also revises several sections of the *pro forma* to address ministerial errors and add minor clarifying edits.

³¹ *Id.*

³² *Id.*

³³ *Id.*

³⁴ *Id.* at P 8.

³⁵ *Id.* at P 156.

³⁶ Order No. 2023-A. at P 178.

Finally, given these further revisions, Order No. 2023-A directs transmission providers to submit compliance filings with both Order Nos. 2023 and 2023-A within thirty days of the publication of Order No. 2023-A in the Federal Register (i.e., May 16, 2024).

C. New England's Interconnection Procedures

While the Order No. 2023 Revisions adhere closely to the revisions of the *pro forma* LGIP and LGIA adopted in Order Nos. 2023 and 2023-A, they also do reflect important deviations. To facilitate the Commission's review of the Order No. 2023 Revisions, the Filing Parties first provide an overview of existing Commission-approved variances that form the basis for the Filing Parties' proposed deviations from Order Nos. 2023 and 2023-A *pro forma* LGIP and LGIA. Second, in Section IV.B of this transmittal letter, the Filing Parties describe how the proposed deviations accomplish the purposes of Order Nos. 2023 and 2023-A, while also accounting for existing Commission-approved variances.

1. Variations from Order No. 2003 *Pro Forma* LGIP and LGIA

ISO-NE's Interconnection Procedures, contained in Schedules 22 and 23 of the OATT, are fundamentally integrated with the ISO-NE operations and market constructs, and with the development of participant-funded transmission through ETUs, which are subject to Schedule 25 of the OATT. Indeed, while based on the Order No. 2003 *pro forma* LGIP and LGIA, the ISO-NE LGIP and ISO-NE LGIA have necessarily reflected significant regional differences since ISO-NE's initial filing to comply with Order No. 2003. Initially, NEPOOL and then, after the formation of the RTO, ISO-NE and the PTOs (the latter acting through the PTO AC), all sought to incorporate a modified version of the Commission's *pro forma* LGIP and LGIA as Schedules 22 and 23 of the OATT. The Commission accepted most of the modifications as originally proposed under the "independent entity variation" standard.³⁷ In particular, the Commission approved the retention of a number of New England's existing rules and policies, including a single Interconnection Service pursuant to the Minimum Interconnection Standard ("MIS"),³⁸ and the "but-for" cost allocation provisions under Schedules 11

³⁷ See Order No. 2003 Compliance Order at P 4.

³⁸ See *id.* at PP 4, 36-50; see also *ISO New England Inc.*, 121 FERC ¶ 61,070 (2007) (addressing commitment to develop tariff revisions to address the relationship between Forward Capacity Market and the interconnection process). MIS was adopted in place of the Commission's Energy Resource Interconnection Service and is different in certain respects. MIS is designed to identify the minimum required upgrades without degradation of transfer capability or impeding the ability to operate and maintain the system, while also maximizing one-for-one displacement of existing/proposed generation, meeting all reliability standards. MIS is more stringent than a "plug and play"-type standard. It ensures no degradation to the load-serving capability of the system, but does not ensure incremental capacity to serve load. See *New England Power Pool*, 87 FERC ¶ 61,347 (1999).

and 12 of what is now the OATT.³⁹ The ISO's unique market rules also contributed to the need for regional variations from the Order No. 2003 *pro forma*. Variations were warranted because of New England's regional design under which firm transmission service is not offered and transmission is instead scheduled in real-time energy markets based on security-constrained economic dispatch outcomes.⁴⁰ The initial and subsequent levels of Interconnection Service offered prior to and since the issuance of Order No. 2003 were designed to correlate with the level of market participation requested (or pursued) by the Interconnection Customer.⁴¹

Despite these differences, the Interconnection Procedures generally reflect the interconnection process flow and milestones established in Order No. 2003, as subsequently revised in Order No. 2006. The Interconnection Procedures start with the submission of an Interconnection Request, followed by a Scoping Meeting and the required Interconnection Studies, and culminate in an Interconnection Agreement. Briefly, the process begins with an Interconnection Customer submitting an Interconnection Request, which is assigned a Queue Position (based on the first-come, first-served approach) once the ISO determines that the Interconnection Request is valid. The assigned Queue Position is used to determine the order of performing Interconnection Studies and the cost responsibility for upgrades required to accommodate the request. Following the Scoping Meeting, Interconnection Customers may elect to streamline the study phase of the process by opting to complete the Interconnection Feasibility Study as part of the Interconnection System Impact Study ("SIS"), and to expedite the interconnection process by waiving the Interconnection Facilities Study and proceeding directly to the development of the Interconnection Agreement.⁴² After the Interconnection Studies, the interconnection process culminates with the *pro forma* Interconnection Agreement. The Interconnection Procedures, like the Commission's *pro forma* interconnection rules, require the ISO to coordinate with Affected Systems, which may include systems both within and outside the New England Control Area: neighboring Control Areas subject to the Commission's jurisdiction; a neighboring Control Area that is not subject to the Commission's jurisdiction; and transmission, sub-

³⁹ See Order No. 2003 Compliance Order at PP 4, 83-85. The Order No. 2003 compliance filing left intact the cost allocation arrangements in ISO-NE for upgrade cost allocation, including the provisions applicable to the costs of Generator Interconnection Related Upgrades set forth in Schedules 11 and 12 of the OATT. The interconnection cost allocation methodology provided for under Schedule 11 allocates all costs of interconnection that would not have been incurred but for the interconnection to Interconnection Customers. In turn, Interconnection Customers do not pay for the regional transmission service needed to deliver the generator's output to load; load pays for that.

⁴⁰ See *ISO New England Inc.*, 123 FERC ¶ 61,133, at PP 13-17 (2008).

⁴¹ See *ISO New England Inc.*, 126 FERC ¶ 61,080, at P 14 (2009) ("FCM/Queue Amendments Order").

⁴² See New England Power Pool (Standardizing Generator Interconnection Agreements and Procedures): Order No. 2003 Compliance, Docket No. ER04-433-000, at Section 8 of proposed LGIP (Jan. 20, 2004). Interconnection Customers in ISO-NE have been able to waive the Facilities Study since the Commission's acceptance of the original ISO-NE LGIP, filed in compliance with Order No. 2003, and that variation has remained in the ISO-NE LGIP since that time. See ISO-NE LGIP, Section 7.5 (describing the ability of an Interconnection Customer to waive the Facilities Study).

transmission, and distribution owners within the New England Control Area that are processing requests pursuant to a state process.⁴³

2. Major Improvements Following Order No. 2003 Compliance

Since incorporating the ISO's LGIP and LGIA Schedule 22 and SGIP and SGIA in Schedule 23 of the OATT, ISO-NE, together with the PTO AC and NEPOOL's support, has continued implementing significant reforms to its interconnection process that address concerns unique to the region.

a. FCM/Queue Amendments

In an October 2008 joint filing made by NEPOOL and the PTO AC, the ISO revised its Tariff, including Schedules 22 and 23, to accommodate implementation of the Forward Capacity Market ("FCM").⁴⁴ The FCM/Queue Amendments were necessary to improve the coordination between the FCM and the interconnection queue process for the allocation of interconnection capability on the system. Before the FCM/Queue Amendments, Schedule 22 reflected a single Interconnection Service level—Network Resource Interconnection Service ("NRIS")—based on the then-effective MIS that provided generators interconnecting to the system with full market access, including eligibility for capacity credits. The FCM/Queue Amendments continued to provide resources the option of NRIS, but clarified that NRIS would no longer be sufficient to participate in the capacity market.⁴⁵ The FCM/Queue Amendments established that participation in the capacity market would require that participants qualify for a new type of Interconnection Service – Capacity Network Resource Interconnection Service ("CNRIS"). Resources would qualify for CNRIS by successfully participating in the FCM and completing the upgrades identified to accommodate the interconnection service request.⁴⁶ CNRIS option offered Interconnection Customers the ability to interconnect their facilities for capacity under the intra-zonal deliverability standard, called the Capacity Capability Interconnection Standard, up to the facility's Capacity Network Resource ("CNR") Capability.⁴⁷ The CNR Capability is based on the Interconnection Customer's Capacity Supply Obligation obtained through the FCM.

⁴³ See Order No. 2003 Compliance Order at P 12; *see also Review of Generator Interconnection Agreements and Procedures*, Comments of ISO New England Inc., Docket No. RM16-12-000, at 14-16 (June 30, 2016) (describing the ISO's Affected Systems constructs).

⁴⁴ See *ISO New England Inc.*, Joint Filing of Proposed Revisions to the Generator Interconnection Process and Forward Capacity Market Participation Provisions Set Forth in the ISO New England Inc. Transmission, Markets and Services Tariff, Docket Nos. ER04-432-006, et al. (Oct. 31, 2008) ("FCM/Queue Amendments").

⁴⁵ See FCM/Queue Amendments Order at P 14.

⁴⁶ See *id.*

⁴⁷ See *id.*

To achieve full coordination with the FCM, the FCM/Queue Amendments also incorporated a “first-cleared, first-served” approach for CNRIS.⁴⁸ Under the coordinated processes, Interconnection Customers seeking CNRIS and NRIS must complete the common set of steps described in the Interconnection Procedures (e.g., participate in a Scoping Meeting, complete Interconnection Studies, and enter into an Interconnection Agreement). All Interconnection Requests are studied for NRIS in sequential order under the “first-come, first-served” serial queue order construct, and are subject to restudy only to the extent the conditions specified in the interconnection procedures are triggered. In addition to completing these steps, to achieve CNRIS, an Interconnection Customer must also complete additional FCM-related milestones, including participating in an annual group study (the “CNR Group Study”) conducted by the ISO as part of the FCM qualification process for capacity deliverability assessment.⁴⁹ The CNR Group Study is a form of a cluster study conducted for capacity purposes. In the CNR Group Study, pursuant to Section 3.2.1.3 of Schedule 22, CNRIS Interconnection Requests are studied in serial queue order (based on the first-served approach) relative only to the Interconnection Requests of resources also seeking to qualify to participate in the same Forward Capacity Auction (“FCA”).⁵⁰ These resources qualify to participate in the FCA based on a set of rules, which includes rules for determining whether needed upgrades can be completed in time for the relevant FCA’s Capacity Commitment Period. CNRIS (and associated upgrade and cost responsibilities) is then assigned only to those resources that obtain a Capacity Supply Obligation and complete a post auction restudy, even if those resources do so before an earlier queued resource—hence, a “first-cleared, first-served” construct. In other words, under the existing rules, the allocation of the capacity component of Interconnection Service and the associated obligations is based on the results of the market.⁵¹

The mechanism developed for the allocation of CNRIS has helped discipline multiple capacity Interconnection Requests when they are pending in the interconnection queue—the first cleared resource moves forward and the remaining resources decide whether to participate in a subsequent auction or to withdraw. The resulting coordinated processing, while complicated, was successful for multiple capacity periods. The construct, however, has been limiting, because performing the CNR Group Study as part of the FCM qualification process has only allowed for resources to qualify if, during the FCM qualification process, relevant upgrades can be identified and are determined to be achievable in time for the relevant Capacity Commitment Period. The existing process does not provide sufficient time for complicated upgrades or cost estimates. This

⁴⁸ *See id.*

⁴⁹ *See* ISO-NE LGIP, Section 3.2.1.

⁵⁰ During this process, later-queued resources learn if their upgrades depend on the study outcomes of earlier-queued resources.

⁵¹ *See generally* ISO New England Inc., Interconnection Service Capability Changes, Docket No. ER20-450-000 (Nov. 22, 2019) (moving details for CNRC/Network Resource Capability calculation provisions from ISO New England Planning Procedure No. 10 into Section II.48 of the Tariff).

effectively created a “pass or fail” system where resources needing upgrades beyond the start of the Capacity Commitment Period simply do not qualify to participate in the FCM.

In addition to improving coordination with the FCM, the FCM/Queue Amendments also improved interconnection queue management. Specifically, the FCM/Queue Amendments increased the milestones and financial requirements in the ISO-NE LGIP to enhance the certainty that projects in the interconnection queue are viable, serious and committed to completing the process.⁵² The FCM/Queue Amendments achieved this objective by increasing the milestones and the deposit requirements due at various stages of the interconnection process, with built-in options for the Interconnection Customer to choose lesser deposit requirements if it is able to demonstrate concrete steps undertaken toward completion of the project. As relevant here, the FCM/Queue Amendments increased the Interconnection Request initial deposit to \$50,000, the unspent portions of which are refundable if the Interconnection Customer withdraws the Interconnection Request within ten Business Days of the Scoping Meeting or if the Interconnection Customer executes an LGIA.⁵³

The amendments also modified the Interconnection Study deposit construct. As relevant here, the amendments increased the Interconnection SIS deposit to either: (i) the greater of 100 percent of the estimated cost of the study or \$250,000, or (ii) the lower of 100 percent of the estimated costs of the study or \$50,000 if the Interconnection Customer can provide evidence of certain milestones or evidence of At-Risk Expenditures above a certain threshold amount.⁵⁴ Facilities Study deposits were also increased as part of this filing,⁵⁵ and study provisions permitting the ISO and the Interconnecting Transmission Owner to issue monthly invoices to the Interconnection Customer were retained as part of this filing to cover increased expenditures.⁵⁶

The FCM/Queue Amendments also revised the ISO-NE LGIP to require Interconnection Customers to commit to upgrades and expenditure schedules upon finalizing the Interconnection Agreement.⁵⁷ At this stage of the process, Interconnection Customers are required to commit to a payment schedule for the upgrades that are necessary for the Generating Facility’s interconnection, as well as, provide either evidence of Major Permits or provide the Interconnecting Transmission Owner 20% of the total costs (in a form acceptable to the Interconnecting Transmission Owner of the Interconnection Facilities and other upgrades, including Network Upgrades together with a

⁵² See FCM/Queue Amendments at 43-45. Note that these reforms were limited to the LGIP as few SGIP requests were in the ISO-NE queue at the time and as economies of scale drove most proposals to LGIP.

⁵³ *Id.* at 42.

⁵⁴ See *id.* at 42; ISO-NE LGIP, Section 7.2.

⁵⁵ See FCM/Queue Amendments at 42; ISO-NE LGIP at Section 8.1.

⁵⁶ See FCM/Queue Amendments at 42; ISO LGIP at Sections 7.2, 8.1.

⁵⁷ See FCM/Queue Amendments at 43; ISO-NE LGIP at Section 11.3.1.2.

commitment to a schedule for completion of Major Permit approvals and, in the case of CNRIS requests, completion of the milestones required for FCM participation.⁵⁸

Collectively, these changes were intended to help ensure that interconnection studies are focused on Interconnection Customers with viable projects that are willing and committed to completing the process, as well as to address concerns about Interconnection Customers rushing to complete the Interconnection Agreement with no intention to build, or significantly delaying the schedule for building the Generating Facility in time to achieve Commercial Operation.

b. Improvements to Add Elective Transmission Upgrade Interconnection Process

In 2015, the ISO (with the PTO AC and NEPOOL) revised the Interconnection Provisions of the ISO OATT to reflect the addition of a new Schedule 25, which established interconnection requirements and obligations for proposed ETUs similar to those of internal Large Generating Facilities, enabling ETUs to establish and maintain a meaningful Queue Position.⁵⁹ The new ETU IP also established Interconnection Service rights for certain types of External ETUs,⁶⁰ and created the mechanisms for ETUs interconnecting within the New England Control Area (“Internal ETUs”) to become directly associated with specific Generating Facilities seeking CNRIS so that they may be studied together and thereby increase the Generating Facility’s ability to qualify for the FCM. Establishing interconnection requirements and obligations for ETUs similar to those of internal Large Generating Facilities helped to streamline the overall queue, as many ETU proponents from earlier periods subsequently withdrew their Interconnection Requests.⁶¹

c. Improvements to Better Address Factors Contributing to Queue Study Backlogs

While the efforts undertaken since the initial amendments to the Tariff, made in compliance with Order Nos. 2003 and 2006, improved the interconnection queue process for New England, Generating Facilities seeking to interconnect in remote parts of the system, such as Northern and

⁵⁸ *Id.*

⁵⁹ See *ISO New England Inc.*, 151 FERC ¶ 61,024 (2015).

⁶⁰ External ETUs may request Capacity Network Import Interconnection Service (“CNI Interconnection Service”), the Interconnection Service selected by the Interconnection Customer to interconnect its Elective Transmission Upgrade with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard; or Network Import Interconnection Service (“NI Interconnection Service”), the Interconnection Service selected by the Interconnection Customer to interconnect its Elective Transmission Upgrade to the Administered Transmission System in accordance with the Network Capability Interconnection Standard.

⁶¹ The number of pending ETU Interconnection Requests went from twenty-two (in March 2015) to seven (as of September 2015). These ETU withdrawals did not result in re-studies for other queued projects, because ETUs had previously been considered to be without a Queue Position, and so were effectively always at the bottom of the queue.

Western Maine (mostly wind and other inverter-based technologies), began to experience significant queue backlogs around 2012-2015. ISO-NE identified and made further improvements to the interconnection process to help address key factors that introduced significant complexities to the Interconnection Studies and contributed to the queue backlog.⁶²

In February 2016, ISO-NE and the PTO AC (with stakeholder support) filed revisions to the Tariff, including Schedule 22 of the OATT, to address certain complexities introduced by the nature of the generator technology entering the queues.⁶³ The 2016 Improvements, accepted by the Commission in April 2016 under the “independent entity variation” standard,⁶⁴ were a significant and carefully designed set of reforms focused on new generation technology, in particular inverter-based technology. The improvements were designed to improve the ability to get projects using these new technologies through the study process by making the projects more study-ready while concurrently maintaining flexibility in the process to allow Interconnection Customers to update projects to reflect newer versions of the equipment technologies.⁶⁵ The 2016 Improvements incorporated new data, modeling and performance requirements, including detailed up-front design and standardized model requirements, designed to ensure that the Interconnection Customer’s project is ready to be analyzed in the relevant studies.⁶⁶ The improvements also revised ISO-NE’s Material Modification review procedures and other provisions to accommodate technology-related changes. Pursuant to the improved Material Modification provision, Interconnection Customers may update a project’s technical data before the Interconnection SIS begins (unless explicitly precluded from doing so by the Interconnection Procedures).⁶⁷ Any materiality assessment of a proposed change that cannot be completed within ten Business Days of ISO-NE review is deemed automatically to be a material impact.⁶⁸

While the 2016 Improvements provided key tools to improve Interconnection Studies for wind and other inverter-based generators, they alone were not expected to resolve all of the issues

⁶² For example, the three primary sources of the queue backlog in Northern and Western Maine were: (1) the underlying nature of the Maine transmission system; (2) the extent of oversubscription of requests to interconnect in Maine; and, (3) the nature of the generator technology being proposed. *See ISO New England Inc.*, Revisions to Schedules 22, 23 and 25 of the Open Access Transmission Tariff Related to Certain Interconnection Process Improvements, Docket No. ER16-946-000, at 11-13 (Feb. 16, 2016) (“2016 Improvements”). *See also Am. Wind Energy Ass’n*, Comments of ISO New England Inc., Docket No. RM15-21-000 (Sept. 8, 2015).

⁶³ *See* 2016 Improvements at 2.

⁶⁴ *See ISO New England Inc.*, 155 FERC ¶ 61,031 (2016) (accepting the 2016 Improvements).

⁶⁵ *See* 2016 Improvements at 2.

⁶⁶ *See* 2016 Improvements at 13-14 (explaining the changes); *see also* ISO-NE LGIP Sections 5, 7.2 & Appendix G.

⁶⁷ *See* 2016 Improvements at 24.

⁶⁸ *Id.*

driving queue backlog experienced in Maine, particularly the need for significant transmission infrastructure.

Accordingly, ISO-NE, joined by the PTO AC and NEPOOL, undertook a significant effort to resolve the queue backlog attributable to a lack of transmission infrastructure in relatively remote areas of the region in which customers were seeking interconnection. That effort led to a September 2017 joint filing by ISO-NE, NEPOOL, and the PTO AC proposing revisions to the Tariff, including Schedules 22 and 23 of the OATT. The filing proposed a mechanism for considering Interconnection Requests and allocating interconnection upgrade costs among Interconnection Customers on a cluster basis in instances where a queue backlog caused by a lack of transmission infrastructure is deemed likely to persist under the continued application of the serial queue study process.⁶⁹

The Clustering Revisions authorize the ISO, at its sole discretion, to invoke Clustering where the ISO identifies that there are two or more Interconnection Requests without completed Interconnection SISs in the same electrical part of the New England Control Area based on the requested Point of Interconnection, and determines that none of the Interconnection Requests will be able to interconnect, either individually or on a cluster basis, without the use of common significant new transmission line infrastructure rated at or above 115 kilovolts (“kV”) alternating current (“AC”) or high-voltage direct current (“HVDC”). Where the ISO initiates Clustering, the rules require that the ISO provide notice through the Planning Advisory Committee of the initiation of a cluster for studying certain Interconnection Requests under the Regional System Planning Process in accordance with Section 15.1 of Attachment K, Section II of the Tariff. The ISO then proceeds to study the Interconnection Requests in two phases. In the first phase, the ISO performs a Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) to identify the Cluster Enabling Transmission Upgrade (“CETU”) and associated system upgrades to enable the interconnection of potentially all of the resources proposed in the Interconnection Requests considered under the triggering provision.⁷⁰ In the second phase, the ISO conducts a Cluster System Impact Study (“CSIS”) and a Cluster-Interconnection Facilities Study (“CFAC”) to study the Interconnection Requests identified in the CRPS that have elected to participate in the CSIS together with the identified CETU and associated system upgrades. The Clustering rules incorporated a series of features designed to minimize the uncertainties and restudy exposure.

⁶⁹ See *ISO New England Inc.*, Joint Filing of Revisions to the ISO New England Inc. Transmission, Markets and Services Tariff to Incorporate a Clustering Approach in the Interconnection Procedures, Docket No. ER17-2421-000 (Sept. 1, 2017) (proposing changes to Tariff, Section I.2 - Definitions, Schedule 11, Schedule 22, Procedures, Schedule 23, Schedule 25, and Attachment K to incorporate limited clustering); *ISO New England Inc.*, 161 FERC ¶ 61,123 (2017).

⁷⁰ This phase was designed to be performed under the Regional System Plan process so that it could be presented and discussed from its formative stage through completion at the ISO’s Planning Advisory Committee where Interconnection Customers, state policymakers, regulators, and other interested parties can take an active role and provide input, and the Interconnection Customers can obtain information to facilitate decisions to enter the cluster, move to the bottom of the queue (thereby allowing ready projects to move forward), or withdraw.

These features include significant, potentially forfeitable, cash-only cluster deposits due at entry and key decision points; rules for cluster filling, oversubscription, and backfilling, which use serial queue order relative to each Interconnection Request's individual Queue Position; specific off-ramps for projects to withdraw; and the ability of an Internal ETU to take the place of a CETU in certain circumstances.

The cluster entry requirements for Interconnection Requests to be eligible to participate in the cluster and interconnect through the CETU include: an initial Cluster Participation Deposit ("CPD") totaling 5% of the Interconnection Customer's respective CETU and associated upgrade costs; an additional 5% of their respective cost allocation for the CETU and associated upgrades following the CFAC; and 20% upon execution of an LGIA. These cash-only participation deposits are forfeited if the Interconnection Request is withdrawn at times other than the specified off-ramps. The forfeited deposits are used to offset increased costs to those Interconnection Customers with projects that remain in the cluster.

d. Order Nos. 845 and 845-A Compliance Filing and Corresponding Study Timeline Changes

On May 22, 2019, ISO-NE, joined by NEPOOL and the PTO AC, submitted revisions to Schedule 22 of the OATT to comply with Order Nos. 845 and 845-A.⁷¹ Order Nos. 845 and 845-A adopted ten reforms to the Commission's *pro forma* LGIP and LGIA. The reforms were designed to improve certainty for Interconnection Customers, promote more informed interconnection decisions, and enhance the interconnection process. These reforms included the adoption of a Surplus Interconnection Service construct, as well as new reporting requirements for instances where the transmission provider misses the Reasonable Efforts deadlines in two or more consecutive quarters.

As relevant here, the revisions to Schedule 22, made in compliance with Order Nos. 845 and 845-A, included the addition of reporting requirements for study performance, which require the ISO to maintain, on its website (with a link to its Open Access Same-Time Information System ("OASIS")), summary statistics related to processing Interconnection Studies. Those summary statistics are updated quarterly, and have resulted in the ISO submitting to the Commission informational quarterly reports regarding study delays since 2022.⁷²

Additionally, the ISO incorporated the Surplus Interconnection Service requirements with certain regional variations necessary to account for New England's Interconnection Services, which are

⁷¹ *ISO New England Inc.*, Revisions to the Large Generator Interconnection Procedures and Agreement in Schedule 22 of Section II to the ISO New England Inc. Transmission, Markets and Services Tariff in Compliance with FERC Order Nos. 845 and 845-A, Docket No. ER19-1951-000 (May 22, 2019) ("Order No. 845 Compliance Filing"); *ISO New England Inc.*, Revisions to the *Pro Forma* ISO New England Large Generation Interconnection Procedures and Large Generator Interconnection Agreement In Further Compliance with Order Nos. 845 and 845-A, Docket No. ER19-1951-002 (July 17, 2020).

⁷² See generally *ISO New England Inc.*, Docket No. ER19-1951-000.

integrated with the New England Markets, and Material Modification rules. The calculation of Unused Capability for CNRIS must be based on the Original Interconnection Customer's most recent demonstrated capability. These variations were accepted by the Commission on March 19 and September 17, 2020.⁷³

Concurrently with the Order Nos. 845 and 845-A compliance filings, the ISO, NEPOOL and the PTO AC submitted proposed changes to the Interconnection Study deadlines in Schedule 22, pursuant to Section 205 of the FPA.⁷⁴ The Study Revisions afforded Interconnection Customers the option to pursue a reduced-scope Interconnection Feasibility Study ("Feasibility Study"), and increased the Reasonable Efforts timeframe for completing that study from 45 to 90 Calendar Days. The revisions also increased the Reasonable Efforts timeframe for completing the Interconnection SIS from 90 to 270 Calendar Days. Given the reforms in Order Nos. 2023 and 2023-A, the Filing Parties provide the following brief discussion on the basis for the timeframe for the SIS.

As briefly described in Section III.C.1 of this transmittal letter, under the ISO-NE Interconnection Procedures, Interconnection Customers may expedite the Interconnection Study phase of the process by waiving the Feasibility Study and the Facilities Study, rendering the SIS the definitive study. Under the ISO-NE Interconnection Procedures, the SIS serves as the single, comprehensive evaluation, which ensures that the addition of the proposed Generating Facility will not cause any reliability issues on the New England Transmission System or on an Affected System, and to identify needed upgrades.⁷⁵ The SIS is the means by which the ISO demonstrates compliance with NERC Reliability Standard FAC-002,⁷⁶ which requires study of the impact of interconnecting new or materially modified facilities on the Bulk Electric System. The SIS is also the means by which the ISO meets the requirement of Section I.3.9 of the ISO Tariff to ensure that the interconnection of generation will have no adverse impact to the transmission system or the system of another Market Participant. The SIS's comprehensive results allow for Interconnection Customers to proceed directly to the Interconnection Agreement phase of the process, without conducting an Interconnection Facilities Study.

As set forth in Section 7.3 of the LGIP, the scope of the SIS, which the Order No. 2023 Revisions maintain for future Cluster Studies, includes a comprehensive steady state (thermal,

⁷³ See *ISO New England Inc.*, 170 FERC ¶ 61,209 (2020) ("Order No. 845 Compliance Order"); see also *ISO New England Inc.*, Letter Order, Order Nos. 845 and 845-A Compliance Filing, Docket No. ER19-1951-002 (Sept. 17, 2020).

⁷⁴ *ISO New England Inc.*, Revisions to ISO New England Inc. Transmission, Markets and Services Tariff to Modify Timelines and Scope of Interconnection Studies, Docket No. ER19-1952-000 (May 22, 2019) ("Study Revisions"); *ISO New England Inc.*, 170 FERC ¶ 61,218 (2020) ("Study Revisions Order") (accepting the Study Revisions).

⁷⁵ See ISO-NE LGIP, Section 7.3 (describing the scope of the SIS).

⁷⁶ *Standard FAC-002-0 — Coordination of Plans for New Facilities*, North American Electric Reliability Corporation (Apr. 1, 2005), <https://www.nerc.com/pa/Stand/Reliability%20Standards/FAC-002-0.pdf>.

voltage, and short circuit) evaluation of the proposed interconnection, as well as a full stability analysis. The New England Transmission System includes several stability-limited interfaces that cannot be degraded by system additions, which has the effect of lengthening the time needed to conduct studies due to the associated complexities. Also, consistent with NERC guidance, the SIS includes electromagnetic transient analysis in Power System Computer-Aided Design (“PSCAD”) for all inverter-based resources such as solar, wind, and battery facilities to evaluate weak-grid performance, examine any control interactions and trip settings, and benchmark model performance.⁷⁷ Finally, the SIS includes estimates for upgrade cost and time to construct, which is developed by the Interconnecting Transmission Owner. These estimates are sufficiently developed so as to facilitate an Interconnection Customer’s decision as to whether to forgo the Facilities Study. Most Interconnection Customers choose to waive the Facilities Study, improving the efficiency of the overall process. The 270-day timeframe for the SIS more accurately reflects the expected amount of time it takes to complete the SIS scope of work, and was accepted by the Commission on March 19, 2020.⁷⁸

As detailed in the ISO’s Order No. 845 informational reports on study delays,⁷⁹ while the average time from execution of an SIS agreement to a completed study still exceeds 270-day timeframe, this is largely attributable to the ISO’s inability to start conducting studies before completing restudies of interdependent higher-queued Interconnection Requests, as well as to various issues with proposed facilities’ modeling and data. Since 2021, the average time to complete an SIS once the ISO commences the study is closer to the 270-day timeframe (though certain studies have been completed in much longer time periods due to contingencies that occur once the study has started). Once the study commences, delays are mostly attributable to modeling and data issues, and the time needed for the Transmission Owners and Affected Parties to prepare cost and construction time estimates, as well as late stage Interconnection Request withdrawals, which can trigger the need for restudies.

D. Current Status of the ISO-NE Interconnection Queue

The major enhancements to the ISO-NE Interconnection Procedures described above, particularly the 2016 Improvements and the Clustering Revisions, are in line with the reforms and objectives set forth in Order Nos. 845 and 845-A and further advanced in Order Nos. 2023 and 2023-A. Significant ground has been gained in New England through these enhancements. However, recent surges in Interconnection Request volumes could overwhelm the existing first-

⁷⁷ The PSCAD analysis was added to Schedule 22 in 2012. *See ISO New England Inc.*, Revision Clean-Up to the Interconnection Procedures Under Schedules 22 and 23 of the ISO Open Access Transmission Tariff, Docket No. ER12-1847-000 (May 25, 2012) and accepted in *ISO New England Inc.*, Letter Order, Revisions to the Interconnection Procedures under Schedules 22 and 23, Docket No. ER12-1847-000 (June 21, 2012). In 2016, new data requirements were added to Schedule 22 to facilitate the PSCAD analysis. *See* 2016 Improvements.

⁷⁸ *See generally* Study Revisions Order.

⁷⁹ *See, e.g., ISO New England Inc.*, Interconnection Study Metrics Fourth Quarter, 2023 Processing Time Exceedance Report, Docket No. ER19-1951-000 (Feb. 14, 2024).

come, first-served serial queue construct. As of May 1, 2024, 203 active Interconnection Requests for Large Generating Facilities are pending in the queue, representing approximately 43,857 megawatts (“MW”), the majority of which are inverter-based technologies (batteries, offshore wind generation).⁸⁰ Of the 203 requests, the ISO has completed SISs for 56, representing approximately 12,770 MW. The ISO anticipates completing the SIS for an additional 18 Interconnection Requests, representing approximately 3,673 MW, prior to July 1, 2024.⁸¹

E. Implications of Nineteenth Forward Capacity Auction (“FCA 19”) Delay

On November 3, 2023 ISO-NE, joined by NEPOOL filed revisions to the Tariff to delay FCA 19, including all pre-auction and post-auction activities related thereto, for one calendar year.⁸² The Tariff revisions also addressed the timeline for conducting subsequent auctions, as well as impacts to the schedule for running the three annual balancing auctions (referred to as annual reconfiguration auctions or “ARAs”) that are held between the time of the FCA and the commencement of the capacity delivery year. This included the establishment of an interim reconfiguration auction qualification process. The proposed Tariff revisions also made adjustments to the FCA qualification rules for certain resources, to prevent the delay from adversely impacting their participation in the FCM. These changes were accepted by the Commission on January 2, 2024.⁸³

As described above, an Interconnection Customer seeking CNRIS must complete certain FCM-related milestones, including completing the CNR Group Study to qualify to participate in an FCA and achieving a Capacity Supply Obligation. For the reasons explained in more detail below, the existing CNRIS construct whereby the service is achieved through the FCM is not compatible with the Order Nos. 2023 and 2023-A requirement that transmission providers replace the first-come, first-served serial queue approach with a first-ready, first-served cluster study framework in which each request included in a given cluster is equally queued. Accordingly, to comply with the requirements in Order Nos. 2023 and 2023-A, the Filing Parties propose to revise the CNRIS construct. To facilitate this, the Order No. 2023 Revisions reflect a the transition process that leverages adjustments made to the FCM qualification rules to prevent delays from adversely impacting FCM participation by Interconnection Customers that have a pending request for CNRIS,⁸⁴ but have yet to complete the CNR Group Study for capacity market participation,

⁸⁰ A full breakdown is in Attachment 3 to this filing letter.

⁸¹ July 1, 2024 is the date by which an Interconnection Customer must have a completed SIS in order to be eligible to participate in the proposed Transitional CNR Group Study described in Section IV.B.1.C.iv.1.

⁸² *ISO New England Inc.*, Market Rule Changes to Delay Nineteenth Forward Capacity Auction and Related Capacity Market Activities, Docket No. ER24-339-000 (Nov. 3, 2023) (“Initial FCA 19 Delay Filing”); *see also ISO New England Inc.*, 186 FERC ¶ 61,001 (2024) (accepting Initial FCA 19 Delay Filing).

⁸³ *ISO New England Inc.*, 186 FERC ¶ 61,001.

⁸⁴ *See Proposed Tariff*, Section III.13.A.2.

and to afford those Interconnection Customers an opportunity to complete the CNR Group Study, qualify, and achieve CNRIS.

IV. DESCRIPTION OF AND JUSTIFICATION FOR THE ORDER NO. 2023 REVISIONS

The Filing Parties propose to revise Sections I, II and III of the Tariff to comply with Order Nos. 2023 and 2023-A. As discussed below, most of the Order No. 2023 Revisions adhere closely to the *pro forma* changes reflected in Appendix C of Order No. 2023 and Appendix C of Order No. 2023-A. The Order No. 2023 Revisions, however, also include important variations that are necessary to: (1) maintain previously-accepted variations for inclusion in Schedules 22 and 23, which were revised or impacted by the *pro forma* amendments and which continue to meet the standards for variance; and (2) adjust unique, regional constructs, such as the manner in which capacity interconnection service is achieved, to align with the new cluster study construct. The Filing Parties propose these variations under the “independent entity variation” standard.⁸⁵ The Commission has accepted independent entity variations from its *pro forma* when an RTO demonstrates that the proposed variation: (1) is just and reasonable, and not unduly discriminatory or preferential; and (2) accomplishes the purposes of the order. The Filing Parties submit that the proposed variations are just and reasonable and accomplish the purpose of Order Nos. 2023 and 2023-A by adjusting the unique constructs in New England to align with the new cluster study process, while maintaining elements that are compatible with the objectives of the orders and have been successful for the region.

For ease of review, the Order No. 2023 Revisions specific to each category of reforms as reflected in Order Nos. 2023 and 2023-A are as follows:

Reforms to Implement a First-Ready, First-Served Cluster Study Process

- Interconnection Information Access – Section 6 of Schedule 22 of the OATT;
- Cluster Study Process – Sections 3 (with respect to entering a Cluster), 4 (with respect to Queue Position), 7 (with respect to conducting a Cluster Study), and Attachment 2 of Schedule 22; Section II.48 (for changes regarding the establishment of CNR Interconnection Service); and Section III.13 (for the corresponding FCM related changes), A;
- Allocation of Cluster Study Costs – Section 7.2 of Schedule 22;
- Allocation of Cluster Network Upgrade Costs – Schedule 11 of the OATT;
- Shared Network Upgrades – Section 7.3 of Schedule 22;

⁸⁵ Order No. 2023 at P 10 (stating that “[w]e recognize that transmission providers have undertaken efforts to address interconnection queue management issues. This final rule is not intended to divert or slow the potential progress represented by those efforts, and we encourage transmission providers to continue to innovate to remedy their identified interconnection queue management issues. We note that the compliance obligations that result from this final rule will be evaluated in light of the independent entity variation standard for regional transmission organizations (RTO) and independent system operators (ISO) and the consistent with or superior to standard for non-RTO/ISO transmission providers”).

- Increased Financial Commitments and Readiness Requirements – Sections 3, 7 and 11 of Schedule 22;
- Transition Process – Section 5 and Attachments 5 and 6 of Schedule 22;

Reforms to Increase the Speed of Interconnection Queue Processing

- Elimination of Reasonable Efforts Standard – Section 3.5.2.1 of Schedule 22;
- Affected Systems – Section 3.6A of Schedule 22, and New Attachments 7, 8, 9, and 10 to the LGIP;

Reforms to Incorporate Technological Advancements into the Interconnection Process

- Alternative Transmission Technologies – Section 7.3 of Schedule 22;
- Modeling and Ride Through Requirements – Appendix 1 to Schedule 22 – Interconnection Request; Article 1.5.7 of the SGIA; and
- Operational Assumptions for Storage Resources – Sections 3.1, 3.3, 7.3, and 8.2 of Schedule 22.

Various customized changes to the Commission's *pro forma* LGIP, LGIA, and SGIA that are non-substantive in nature are reflected throughout Schedules 22 and 23. These non-substantive changes are necessary to recognize the existing terminology, formatting and overall construct of the Interconnection Procedures, and are reflected in Section IV.A of this transmittal letter.

Additionally, the ISO proposes substantive changes to some of the Commission's *pro forma* LGIP and LGIA that are necessary to maintain previously accepted independent entity variations that are revised or impacted by the Order Nos. 2023 and 2023-A reforms and continue to meet the standard for variance provided in the final rule, as categorized and discussed in Section IV.B of this transmittal letter. These changes are discussed in the context of the applicable reform, with specific references to the provision(s) in the ISO-NE LGIP, LGIA, and SGIA in which they appear.

A. Non-Substantive Revisions Reflected Throughout OATT Schedules 22 and 23

The Order No. 2023 Revisions globally reflect certain non-substantive variations from the Commission's *pro forma* changes adopted in Order No. 2023. These modifications are necessary to conform the new *pro forma* language to the defined terms and formatting (e.g., capitalization and references of sections and article numbers) used in the Interconnection Procedures. Specifically, to conform the language adopted in Order Nos. 2023 and 2023-A to the terminology used in New England, the following variations, previously accepted under the independent entity variation standard, have been made throughout the document:⁸⁶

⁸⁶ The Order No. 2023 Revisions also reflect the following ministerial changes, including: (1) revisions to the Tables of Content; (2) modifications to capitalization and abbreviation of terms; and (3) other non-substantive revisions. These changes have been adopted to the extent that the modifications are consistent with the terminology and structure of the ISO-NE Tariff.

- Replacement of “Transmission Provider” term – Under Schedules 22 and 23, both ISO-NE and the PTOs have responsibilities in the interconnection process that are assigned to the “Transmission Provider” in the Commission’s *pro forma* LGIP, LGIA, SGIP and SGIA. For example, the ISO-NE LGIP and LGIA provide different roles for the ISO and the applicable PTO in the interconnection study process, interconnection facility/upgrade construction, and ongoing duties once the Generating Facility is interconnected. Consistent with the existing allocation of Transmission Provider’s responsibilities in the ISO-NE LGIP, LGIA, SGIP and SGIA, the Filing Parties propose to revise the *pro forma* to specify which of the entities has the performance right or obligation covered by the particular provision. The proposed revisions continue the current structure in Schedule 22, which provides for ISO-NE to be the lead party responsible for administering the process for interconnecting to the Administered Transmission System in New England and to be in charge of studies and overall operation and reliability of the system, and for the PTOs to be responsible for facilities/upgrades schedules and construction, financial obligations, and physical impacts.
- Replacement of “Transmission Provider’s Transmission System” and “coordinated region” terms—The ISO-NE LGIP, LGIA, SGIP and SGIA apply to proposed Generating Facility interconnections to the “Administered Transmission System,” which is comprised of Pool Transmission Facilities and Non-Pool Transmission Facilities.⁸⁷ Accordingly, the Filing Parties propose to replace the terms “Transmission Provider’s Transmission System” and “coordinated region” with “Administered Transmission System,” consistent with the defined term used in New England. In addition, where the term “Transmission Provider’s Transmission System” is used more broadly (i.e., in the context of the Affected Systems rules adopted by the Commission), the term has been replaced by “New England Transmission System,” which includes “PTF, Non-PTF, OTF and MTF, within the New England Control Area under the ISO’s operational jurisdiction.”⁸⁸
- Replacement of “Generating Facility Capacity” term – The Commission’s *pro forma* language in Order Nos. 2023 and 2023-A uses the term “Generating Facility Capacity” in various instances. The term “Generating Facility Capacity,” however, is not a defined term in Schedules 22 and 23. Instead, ISO-NE’s LGIP, LGIA, SGIP and SGIA use the terms “Large Generating Facility” and “Generating Facility.” The defined term that matches the *pro forma* “Generating Facility Capacity” is “Generating Facility.” Therefore, to maintain the defined terms used in the ISO-NE LGIP, LGIA and SGIA, the Filing Parties replace the word “Capacity” in the term “Generating Facility Capacity” with “Capability(ies)” throughout.

⁸⁷ Filing Parties recently also revised the Interconnection Procedures to exclude all distribution interconnections, so only interconnections to the transmission system are subject to the ISO’s interconnection process. *See New England Power Pool Participants Comm.*, 180 FERC ¶ 61,129, at PP 17-21 (2022).

⁸⁸ *See* Tariff, Section I.2.2 (“New England Transmission System” definition).

- Replacement of “ERIS” and “NRIS” terms – The ISO-NE LGIP, LGIA, SGIP and SGIA differ from the *pro forma* construct with respect to the types of transmission services offered. Where the term “ERIS” is used, it has been replaced with “NR Interconnection Service” or “NRIS,” which is the comparable service in New England. In addition, the term “NRIS” has been replaced with “CNR Interconnection Service” or “CNRIS” for the same reason.
- In Order Nos. 2023 and 2023-A, the Commission adopted certain stylistic changes, including removing “the” in various instances.⁸⁹ The Filing Parties have incorporated these changes in Schedules 22 and 23. For consistency, however, the Filing Parties have replaced “the Interconnection Customer” with “Interconnection Customer” throughout the schedule, including in sections not modified by Order Nos. 2023 and 2023-A.⁹⁰

B. Revisions to Schedules 22 and 23 and Corresponding Rules by Order Nos. 2023 and 2023-A Reform

1. Reforms to Implement First-Ready, First-Served Cluster Study Process

Order No. 2023, as modified by Order No. 2023-A, requires that transmission providers replace first-come, first-served serial interconnection study process with first-ready, first-served cluster study process. The Commission found “that the existing *pro forma* generator interconnection procedures and agreements are insufficient to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, thereby ensuring that rates, terms, and conditions for Commission-jurisdictional services are just, reasonable, and not unduly discriminatory or preferential.”⁹¹ The Commission further explained that the existing serial queue processes “incentivize interconnection customers to submit speculative interconnection requests that contribute to interconnection study backlogs, delays, and uncertainty, and, in turn, unjust and unreasonable Commission-jurisdictional rates.”⁹² As a result, the Commission revised the *pro forma* LGIP and LGIA to make cluster studies the required interconnection study method and replaced the serial interconnection study process with the first-ready, first-served cluster study process.⁹³

The Order No. 2023 Revisions incorporate the *pro forma* revisions reflecting the new, first-ready, first-served cluster study process as adopted in Order No. 2023 (and modified in Order No. 2023-

⁸⁹ See, e.g., Order No 2023-A at Appendix C, Definitions – Ancillary Services.

⁹⁰ Note that in some instances, the Filing Parties have left the article “the” in front of the terms “System Operator” or “Interconnecting Transmission Owner” given the different terminology used in the ISO-NE Interconnection Procedures versus those used in the *pro forma* LGIP. For example, the definition of “Base Case Data” retains the article in referring to the System Operator and the definition of “Emergency Condition” retains the article in referring to the Interconnecting Transmission Owner.

⁹¹ Order No. 2023 at P 37.

⁹² *Id.* at P 48.

⁹³ *Id.* at P 177.

A), with limited deviations necessary to: (1) account for the ISO's Tariff structure; (2) make the process more efficient; and (3) preserve certain existing independent entity variations that the Commission has previously found just and reasonable and otherwise consistent with the *pro forma* LGIP. The following sections of this transmittal letter detail the manner in which the Order No. 2023 Revisions incorporate the cluster study process in the ISO's Tariff, including the rationale for the proposed independent entity variations, as applicable.

a. Interconnection Information Access

In Order No. 2023, the Commission eliminated the requirements in the *pro forma* LGIP related to the conduct of Feasibility Studies and replaced those provisions with new requirements related to the provision of interconnection information for public use. Specifically, the Commission revised the *pro forma* LGIP to require transmission providers to publicly post available information pertaining to generator interconnection (i.e., public interconnection information or a heatmap).⁹⁴ Transmission providers are required to update the heatmap within thirty Calendar Days after the completion of each Cluster Study and Cluster Restudy.⁹⁵ They are also required to provide the following information as outputs at each Point of Interconnection: (1) the distribution factor; (2) the MW impact (based on the proposed project size and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the MW values of the proposed project and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the proposed project; and (5) the percentage power flow on each impacted transmission facility after the injection of the proposed project.⁹⁶

Order No. 2023 incorporates these reforms in Section 6.1 of the *pro forma* LGIP. Consistently, as reflected in the Order No. 2023 Revisions, the Filing Parties propose to include these requirements, in full, with only minor modifications to account for the terminology differences between the *pro forma* LGIP and the ISO-NE LGIP. Specifically, the Filing Parties have modified the *pro forma* language by replacing the term Transmission Provider with System Operator for the reasons explained above. Additionally, consistent with the Commission's clarification in Order No. 2023-A, the heatmap will reflect CNRIS injection capability.

b. Cluster Study Process

Order Nos. 2023 and 2023-A revised the *pro forma* LGIP and LGIA to require that transmission providers study Interconnection Requests in clusters, and made numerous revisions to the *pro forma* LGIP and LGIA to effectuate this change.⁹⁷ This includes a new Cluster Study Process that replaces

⁹⁴ *Id.* at P 135.

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *See* Order No. 2023-A at PP 107-09 (describing these changes).

the current serial queue construct in its entirety. Generally, the process comprises the following components:

- **Cluster Request Window:** Interconnection Requests may be submitted during a 45-Calendar Day Cluster Request Window, and must include require data, fees, study deposits, and initial Commercial Readiness Deposits. All deficiencies must be corrected within ten Business Days of receiving an Interconnection Request deficiency notice (and no later than the close of the Cluster Request Window).
- **Customer Engagement Window:** Following the close of the Cluster Request Window, the *pro forma* LGIP requires that the transmission provider engage in a 60-Calendar Day Customer Engagement Window, during which time the transmission provider will post on its OASIS a list of Interconnection Requests for that Cluster and determine the scope of the Cluster Study.
- **Scoping Meeting:** Transmission providers are next required to hold a Scoping Meeting with all Interconnection Customers whose Interconnection Requests were received in the Cluster Request Window. Interconnection Customers participating in the Scoping Meeting are required to sign non-disclosure agreements to maintain the confidentiality of identifying or commercially sensitive information for Interconnection Customers participating in a group scoping meeting.
- **Cluster Study:** Order No. 2023 adopts a single-phase 150-day Cluster Study, during which transmission providers are required to evaluate stability, power flow, and short circuit analyses for each Interconnection Request in a Cluster. The study results are required to be issued in a Cluster Study Report that identifies the required upgrades to accommodate the Interconnection Requests in a Cluster, as well as the cost estimates associated with those upgrades. Order No. 2023 does not impose a requirement that transmission providers conduct Cluster Studies on subgroups of Interconnection Customers based on areas of geographic and electric relevance, though they can voluntarily choose to do so.
- **Cluster Restudy:** Following the issuance of the Cluster Study Report, the transmission provider may determine that a 150-day Cluster Restudy is necessary if a higher (i.e., from a previous Cluster Study) or equally queued Interconnection Request is withdrawn or modified.
- **Posting of Metrics:** Order No. 2023 also requires that transmission providers post Cluster Study and Cluster Restudy processing time metrics, including the number of Cluster Studies completed within 150 Calendar Days from the close of the Customer Engagement Window. The metrics must be measured from: (i) the close of the Customer Engagement Window for

the Cluster Study processing time metric; and (ii) when the transmission provider notifies Interconnection Customers in the Cluster that a Cluster Restudy is needed.

- Facilities Studies: Order No. 2023 retains the current Facilities Study phase of the interconnection process, and clarifies that Facilities Studies should still take place on an individual project (rather than cluster) basis.
- LGIA Tender and Negotiation: Order No. 2023 incorporates: (i) a 60-Calendar Day LGIA negotiation period; and (ii) Site Control demonstrations and LGIA deposit requirements. Interconnection Customers may still request that the transmission provider file an unexecuted LGIA, but the Interconnection Customer must satisfy requirements for submission of deposits, evidence of Site Control, and milestone progress data within ten Business Days after the date of the filing of the unexecuted LGIA with the Commission.

To comply with Order Nos. 2023 and 2023-A, the Filing Parties propose to incorporate the components of the Cluster Study Process in Sections 3, 4, 7, 8, and 11 of Schedule 22.⁹⁸ As discussed in detail below, the Cluster Study Process follows the same structure as that of the *pro forma* Cluster Study Process adopted in Order Nos. 2023 and 2023-A, with certain deviations to maintain existing timeframes for certain steps in the process that were previously approved under the independent entity variations standard, allow for flexibility within the process for both the ISO and Interconnection Customers, and allow sufficient time for public information to be updated following each Cluster Study

⁹⁸ The Filing Parties also propose to add the new attachments to the LGIP related to the Cluster Study, including the Cluster Study Agreement Transitional Serial Interconnection Facilities Study Agreement; Transitional Cluster Study Agreement; Two-Party Affected System Study Agreement; Two-Party Affected Facilities Construction Agreement; Multi-Party Affected System Study Agreement; and Multi-Party Affected Facilities Construction Agreement, and to eliminate the attachments related to the Feasibility Study.

and Cluster Restudy. The Filing Parties' proposed Cluster Study Process components and their associated timeframes are as follows:

- Cluster Request Window – 45 Calendar Days – Section 3.4.1 of Schedule 22
- Customer Engagement Window – 60 Calendar Days (ISO is required to post a list of projects in the Cluster 10 Business Days after Customer Engagement Window opens) – Section 3.4.5 of Schedule 22
- Cluster Study – 270 Calendar Days (post Cluster Study Report 10 Business Days after completion of the study) – Section 7.4 of Schedule 22
- ISO-NE Restudy Decision – 30 Calendar Days – Section 7.5(3) of Schedule 22
- Cluster Restudy – 90 Calendar Days – Section 7.5(5) of Schedule 22
- ISO-NE Further Restudy Decision – 30 Calendar Days - Section 7.5(5) of Schedule 22
- Facilities Study (if not waived) – 90 to 180 Calendar Days – Section 8.3 of Schedule 22
- Interconnection Agreement Negotiation – 60 Calendar Days – Section 11.1 of Schedule 22
- Heatmap Updated – 30 Calendar Days after the completion of a Cluster Study or Restudy – Section 6.1 of Schedule 22

While the timeframes for certain steps in the process differ from those adopted in Order Nos. 2023 and 2023-A, the proposed Cluster Study Process results in a timeline that, overall, is roughly commensurate with that of the *pro forma* version. To facilitate the Commission's consideration, the Filing Parties provide the following figures. The first graphically represents the Order No. 2023 Cluster Study Process, and the second represents the Cluster Study Process incorporated in the Order No. 2023 Revisions.

Figure 1: Order No. 2023 Study Timeline

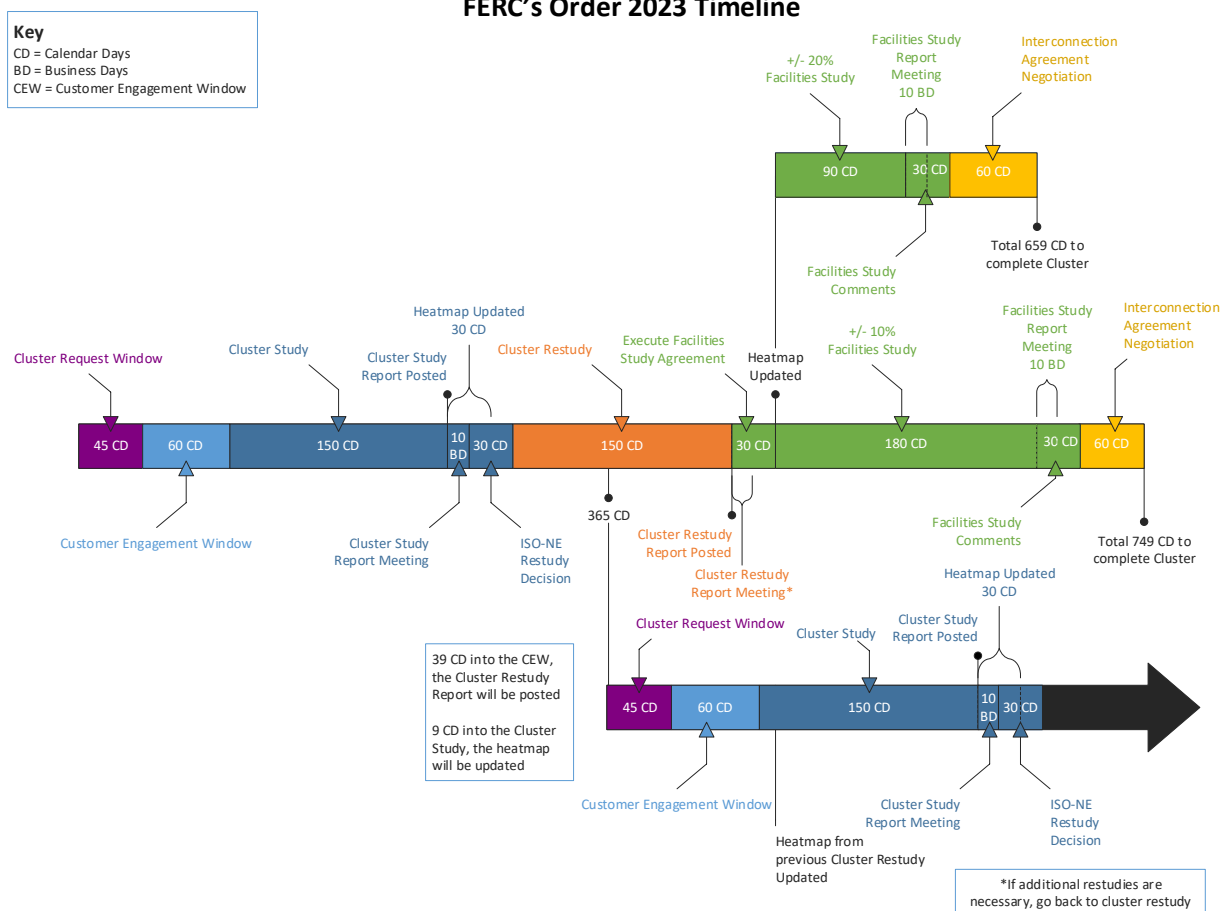
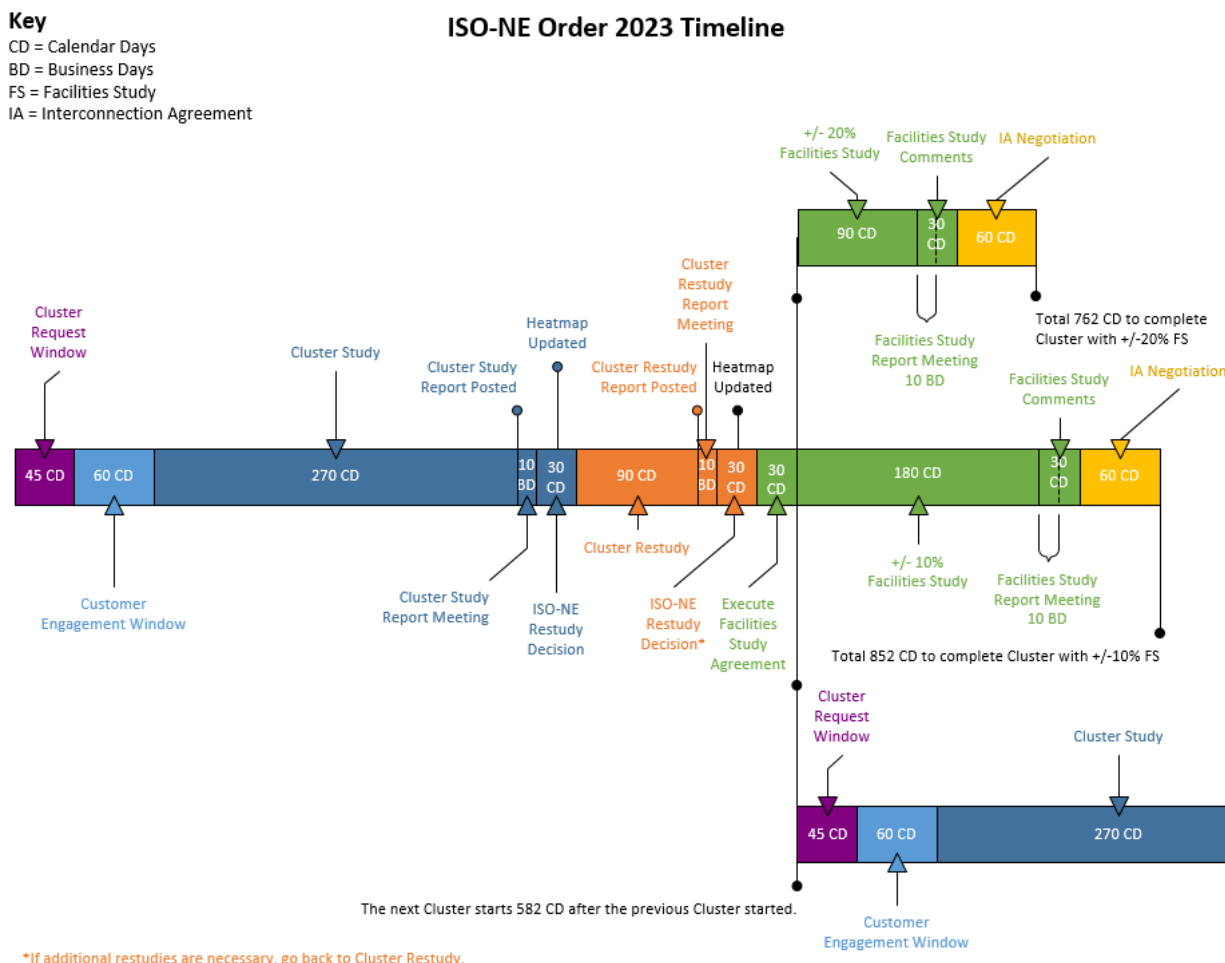


Figure 2: Filing Parties' Proposed Cluster Study Timeline



The Filing Parties describe the Cluster Study process incorporated in the Order No. 2023 Revisions in more detail below, including a description of each substantive deviation from the Commission's *pro forma* version. These deviations include changes resulting from due to the region's unique CNRIS and Clustering constructs due to the incompatibility of aspects of these processes with the new cluster construct in which all Interconnection Requests in a given Cluster are considered equally queued. As described in Section III.C of this transmittal letter, the ISO currently studies Interconnection Requests individually, on a first-come, first-served serial queue-basis, except in the narrow circumstances when assessing qualification of a resource proposed in a CNRIS Interconnection Request for participation in an FCA, and when Clustering is triggered. In the former case, the CNRIS Interconnection Requests seeking to participate in the same FCA are included in the CNR Group Study, in queue order, for purposes of identifying the upgrades required for each request to interconnect in a manner that meets the intra-zonal deliverability standard (*i.e.*, the Capacity Capability Interconnection

Standard (“CCIS”).⁹⁹ In the latter case, Interconnection Requests that are enabled by a CETU identified through the CRPS performed pursuant to Section 15 of Attachment K of the OATT are included in CSIS or CFAC, in queue order, to identify additional upgrades needed to interconnect each facility to the system.¹⁰⁰

In order to fully comply with Order Nos. 2023 and 2023-A’s requirement that transmission providers consider Interconnection Requests included in a given Cluster equally queued, the Order No. 2023 Revisions significantly revise these current processes, but retain certain features related to the existing Clustering construct, as described in Section IV.B.2.c.ii, as well as certain CNRIS features corresponding to the FCM milestones and serial queue for use during the transition process,¹⁰¹ as described in Section IV.B.2.c.iv.1.

c. Specific Proposed Deviations and Additional Considerations

i. FCM Related Changes

The change from the current study process to a Cluster Study Process requires changes to the CNRIS construct and the FCM-related activities (e.g., evaluation of intra-zonal deliverability as part of a separate CNR Group Study performed under the FCM rules) because those existing constructs are not compatible with the Order No. 2023 requirement that Interconnection Requests included in a Cluster be considered equally queued. The existing CNRIS constructs apply equally to Generating Facilities seeking to interconnect under Schedules 22 and 23, as well as ETUs seeking to interconnect under Schedule 25. To comply with the Cluster Study Process requirement, the Filing Parties propose numerous revisions in the Tariff in order to shift the CNRIS milestones from being part of the administration of the FCM to being part of the interconnection process, and eliminate and/or modify

⁹⁹ The CCIS is defined in Schedule 22 as “the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.”

¹⁰⁰ See OATT, Attachment K, Section 15 (describing the use of queue order for filling CETUs).

¹⁰¹ The Filing Parties propose to retain the overlapping impact analysis rules currently contained in Section III.13.1.1.2.3 in new Section III.13.1.1.2.3A for the limited purpose of facilitating the interim reconfiguration auction qualification process and the Transitional CNR Group Study.

components of the existing requirements. Corresponding changes to Schedules 23 and 25 are proposed in the Order No. 2023 Related Changes in Docket No. ER-24-2007.

As detailed above, under current Tariff rules, Interconnection Customers that wish to participate in the FCM must request CNRIS, and to achieve that service, Interconnection Customers must complete additional FCM-related milestones. These milestones include participating in an FCA qualification process by submitting a Show of Interest Form, submitting a New Capacity Qualification Package, and completing the overlapping interconnection impacts analysis via the CNR Group Study to examine capacity deliverability. Interconnection Customers must also clear in an FCM auction and participate in a post-auction restudy in order to establish CNRC under current rules, and the resulting level of CNRIS reflected in a customer's Interconnection Agreement is ultimately the equivalent to the Capacity Supply Obligation it has secured in an FCM auction. Some functions that support the establishment of CNRC through FCM activities, including overlapping interconnection impacts analysis, as well as the associated Conditional Qualification of New Generating Capacity Resource and the corresponding Long-Lead Facility treatments, are currently enabled by Queue Positions assigned to individual Interconnection Requests once they are deemed valid.¹⁰²

Due to the shift to a Cluster Study Process, where all Interconnection Requests in a given Cluster are considered equally queued, the Filing Parties propose to revise the CNRIS rules in Sections 3.2.1.2, 3.2.1.3, 4.1.1 and 4.1.2 of Schedule 22, as well as Sections II.48.1 (rules for establishing CNRC) and III.13.1.1.2.3 (rules on overlap/deliverability review) of the Tariff to provide for Interconnection Customers to achieve CNR Interconnection Service through the interconnection process, independent of participation in the FCM. Specifically, the current ISO-NE LGIP established the CNR Group Study and describes the milestones for achieving CNRIS, which include submitting the necessary requests for participation in an FCA, participation in a CNR Group Study for the FCA, qualifying and receiving a Capacity Supply Obligation in an FCM auction, and completing a re-study of the applicable CNR Group Study after the FCM auction. The proposed revisions to the ISO-NE LGIP eliminates the CNR Group Study associated with FCM qualification activities and establish that the studies to support CNRIS (*i.e.*, the deliverability of requested capacity) be performed as part of a Cluster Study.¹⁰³ The Filing Parties also propose to revise Sections 3.2, 3.2.3, 3.4.2, 4.1.2, and definitions of the ISO-NE LGIP to eliminate

¹⁰² The Conditional Qualified New Generating Capacity Resource treatment allows multiple Interconnection Requests to compete for limited capacity space, and the Long-Lead Facility treatment allows an Interconnection Customer's Generating Facility to be modeled in the Base Cases for the next CNR Group Study to determine whether the Long Lead Facility would have qualified or enabled the qualification of an Import Capacity Resource to participate in the Forward Capacity Auction associated with that CNR Group Study.

¹⁰³ After the proposed revisions, to participate in the FCM, Interconnection Customers must submit an Interconnection Request for CNRIS, and the applicable Cluster Study (or Cluster Re-Study) must have sufficiently progressed such that that needed upgrades to ensure the requested capacity is deliverable have been identified.

the incompatible conditional qualification and long-lead treatment.¹⁰⁴ For clarity, to participate in the FCM, Interconnection Customers must request CNRIS, and the upgrades necessary to ensure the capacity is deliverable (*i.e.*, the intra-zonal deliverability standard) will be identified in the Cluster Study Process going forward. Corresponding modifications to Tariff Section III.13 and Section II.48 are needed to conform to the interconnection process that comply with Order Nos. 2023 and 2023-A. These are discussed below.

ii. Establishment of CNRIS

Section II.48 of the Tariff sets forth the rules for determining the capacity capability of Generating Facilities and External ETUs. To comply with the Order Nos. 2023 and 2023-A requirements, the Filing Parties propose to revise Section II.48.1(a) to clarify that CNRIS will now be established through the Interconnection Procedures rather than based on the outcomes of the FCM, as is the case today.¹⁰⁵ The proposed language to effectuate this shift is as follows:

Commencing September 4, 2024, the summer and winter CNR Capability for a Generating Facility shall be established as the amounts requested in the Generating Facility's Interconnection Request, for which all of the requirements in the Interconnection Procedures have been completed, and which shall not exceed the maximum net MW electrical output at the Point of Interconnection at an ambient temperature at or above 90 degrees F for summer and at or above 20 degrees F for winter.

In addition, Section II.48 is being modified to better align with the Tariff, Section III.13 provisions that the Commission accepted in an order issued on January 2, 2024, in Docket No. ER24-339-000, regarding the FCA 19 delay, and the new Transitional CNR Group Study, which is discussed in detail below. Specifically, the Filing Parties have revised Section II.48 of the Tariff to provide:

Notwithstanding the requirements contained in this section, a Generating Facility that did not secure a Capacity Supply Obligation prior to September 4, 2024, may establish CNRIS through the process described in Section III.13.A.2 - Interim Reconfiguration Auction Qualification, conducted prior to January 1, 2025, provided that the Generating Facility (1) has a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before July 1, 2024 and (2) has a Commercial Operation Date prior to June 1, 2028.

This provision will allow for late stage resources (*i.e.*, those with a completed SIS or Interconnection Agreement) to establish CNRIS by participating in FCA activities that may occur before the Transitional

¹⁰⁴ Conforming changes are also proposed in Tariff, Sections III.13.1.1.2.3, III.13.1.3, III.13.2.3.2, and III.13.8.2 for long lead time, and III.13.1.1.2.3, III.1.1.2.8, III.13.1.9.1, III.2.3.2, III.13.2.5.1, III, 13, 2.7.6, III.2.7.7, III.13.2.8.2.1, III.13.3.1.3, and III.13.8.2.

¹⁰⁵ Corresponding changes have been made related to Section II.48.1(a) of the Tariff to apply the same construct to ETUs.

Cluster Study or first full Cluster Study under the new rules have been completed, and minimize FCM disruptions and potential barriers to market entry associated with the Order No. 2023 Revisions and providing a path for non-speculative projects that have been studied for NRIS but that have not established CNR Interconnection Capability to efficiently achieve CNRIS.

iii. Integration of FCM Rules Through Section III.13/Schedule 22

As described above, the CNRIS FCM-related milestones are being moved from the FCM to the interconnection process, including the performance of the overlapping interconnection analysis (or intra-zonal deliverability analysis) that the ISO currently conducts for New Generating Capacity Resources associated with an Interconnection Request seeking CNRIS under the ISO-NE LGIP. Modifications to Tariff, Section III.13 are therefore warranted to establish the method for reviewing those resources' ability to achieve capacity deliverability in time for the start of the applicable Capacity Commitment Period (CCP) for FCM qualification processes that occur after the interim reconfiguration auction qualification process conducted prior to January 1, 2025 described in Section III.13.A.2, which, as described below, will support the proposed Transitional CNR Group Study. Specifically, what is currently referred to as the "initial interconnection analysis," the overlapping interconnection impacts analysis performed to determine whether the Generating Facility meets the CCIS under Section III.13.1.1.2.3, is now replaced with an "interconnection review," which will be performed pursuant to Section III.13.1.1.2.3(a). That proposed rule provides:

The interconnection review for New Generating Capacity Resources associated with a project subject to Schedules 22 and 23 of Section II of the Tariff shall be in the form of a deliverability review, which examines applicable interconnection Transitional Cluster Study or Cluster Study status, results and identified upgrades to determine the extent to which the applicable project and required interconnection facilities and upgrades can be implemented before the start of the Capacity Commitment Period.

Pursuant to this rule, during the FCA qualification process, the ISO will review the status of the Cluster Study (including the Transitional Cluster Study) and the study results to confirm a resource's ability to achieve CNRIS (i.e., ability to construct the project and any needed upgrades to support capacity deliverability) by the start of the applicable CCP. Because the existing FCM rules apply to resources that are not subject to the ISO-NE Interconnection Procedures, the revisions necessarily require that the rules address the method or resources not associated with an Interconnection Request subject to the ISO-NE LGIP. Accordingly, the proposed revisions provide that the ISO will perform a deliverability screen similar in approach to the current deliverability screening for Active Demand Capacity Resources, as described in Section III.13.1.4.1.1.3 of the Tariff, and detailed in ISO New England Planning Procedure No. 10).¹⁰⁶

In addition, the Filing Parties propose to remove all rules related to Conditional Qualified New Generating Capacity Resource treatment and Long-Lead Facility treatment from both Schedule 22

¹⁰⁶ Proposed Tariff, Section III.13.1.1.2.3(b).

(throughout, but primarily, Definitions and Sections 3.2 and 4.1.1), and Sections III.13.1.1.2.3, III.13.1.3, III.13.2.3.2, and III.13.8.2. As noted, these rules rely on serial Queue Positions for individual Interconnection Requests, which is no longer compatible with the Order No. 2023-compliant interconnection process.

Finally, the Order No. 2023 Revisions also include additional conforming changes in Section III.13 of the Tariff. The proposed changes update the:

- Information submittal and verification requirements during the FCA qualification process (e.g., verifying if a project's Interconnection Request was valid before the close of the Show of Interest ("SOI") submission window) to clarify SOI Form requirements for interconnection-related information;¹⁰⁷
- Deadline for reducing FCA related requested capacity by extending the deadline by one week, since the identification of interconnection upgrades to support CNRIS/Capacity Network Import Interconnection Service ("CNIIS") is moved from FCM related activities to the interconnection;¹⁰⁸
- Qualification Process Cost Reimbursement Deposit ("QPCRD") amounts for New Generating Capacity Resources to adjust QPCRD amounts for New Generating Capacity Resources from a maximum of \$25,000 to \$15,000 for Generating Capacity Resources and Import Capacity Resources greater than or equal to 20 MW, and from a maximum of \$7,500 to \$6,500 for Generating Capacity Resources and Import Capacity Resources less than 20 MW but greater than or equal to 2 MW since the studies to support CNRIS/CNIIS are moved from FCM related activities to the interconnection process;¹⁰⁹
- Requirement for Import Capacity Resources to continue to clear in FCAs in order for the related ETU to maintain Capacity Network Import Capability ("CNIC") because the milestones and activities to establish and maintain CNIC are moved from FCM related activities to the interconnection process, consistent with the corresponding changes being made for Generating Facilities;¹¹⁰ and
- Critical path schedule monitoring milestone reporting requirements for identified transmission upgrades to adjust requirements for documenting transmission upgrade

¹⁰⁷ Proposed Tariff, Section III.13.1.1.2.

¹⁰⁸ Proposed Tariff, Section III.13.1.1.2.1.

¹⁰⁹ *Id.*

¹¹⁰ Proposed Tariff, Section III.13.1.9.3.1

milestones in a monitored CRPS in a way that aligns with the Cluster Study based interconnection process.¹¹¹

1. Reduction of Interconnection Service During Study

In Order No. 2023, the Commission retained Section 3.2 of the *pro forma* LGIA, which provides that an Interconnection Customer requesting “NRIS may also request that it be concurrently studied for ERIS, up to the point when the facility study agreement is executed.”¹¹² The Filing Parties propose to revise the corresponding provision in the ISO-NE LGIP, Section 3.4.2, to allow an Interconnection Customer to specify in its Interconnection Request for CNRIS that the requested service be reduced to NRIS under certain conditions. As described in Section III.C.2.A above, to achieve CNRIS, an Interconnection Customer must complete the same milestones as Interconnection Customers seeking NRIS, as well as FCM-related milestones, which, currently include the CNR Group Study performed under Section III.13 of the Tariff pursuant to Schedule 22 of the OATT.

The Order No. 2023 Revisions revise this existing construct such that the analysis currently performed in the CNR Group Study will now be performed as part of the Cluster Study, which allows for the identification of upgrades needed to meet the CCIS.¹¹³ The proposed deviation in Section 3.4.2 of the ISO-NE LGIP, allows an Interconnection Customer seeking CNRIS to have its service selection reduced in the case where the ISO identifies thermal violations in the analysis associated with CNRIS testing conditions that are not identified in the preceding analysis associated with the NRIS testing conditions. Where the Interconnection Customer makes this election in the Interconnection Request, the downgrade to NRIS will occur automatically. The ISO also will notify the Interconnection Customer that the requested service has been downgraded to NRIS, and list the violations identified in the analysis associated with CNRIS testing conditions in the Cluster Study Report or Transitional Cluster Study Report. The Order No. 2023 Revisions incorporate this provision in in Section 3.4.2, as follows:

Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify the Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations

¹¹¹ *Id.* at Section III.13.3.2.2.

¹¹² Order No. 2023 at P 404.

¹¹³ Proposed Sections 3.2.1.2 and 3.2.1.3 of Schedule 22 of the OATT.

identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report. ¹¹⁴

Allowing an Interconnection Customer to shift its service level request from CNRIS to NRIS in this manner is reasonable, and will enable greater potential participation of resources in the Energy Market where those resources might otherwise not be developed absent this provision. Accommodating this change in Interconnection Service type is also consistent with Order Nos. 2023 and 2023A and the *pro forma* LGIP, which contemplate an Interconnection Customer receiving study results for both energy and capacity services before determining which service level to pursue.¹¹⁵ The ISO will implement this proposed provision during the Cluster Study process, and anticipates that it will result in a more efficient process that is likely to lead to fewer withdrawals following the Cluster Study.

iv. Continuation of Current Clustering Rules to the Extent Compatible with Order No. 2023 Cluster Study Process

As discussed above, the shift to a Cluster Study Process warrants revisions because each Interconnection Request included in a given Cluster renders certain aspects of the existing Clustering rules, which apply to Generating Facilities seeking to interconnect under Schedules 22 and 23, as well as ETUs seeking to interconnection under Schedule 25, incompatible with Order No. 2023's requirements. The Filing Parties also propose to retain limited aspects of the Clustering rules as they continue to be needed in the region. Specifically, the Filing Parties propose to retain in the interconnection process the provisions describing the conditions (or triggers) for the conduct of a CRPS, which is performed under the Regional System Planning Process in Attachment K of the OATT. Specifically, pursuant to the proposed revisions in Section 4.2.1 of the ISO-NE LGIP, the ISO, at its sole discretion, may trigger the need to conduct a CRPS to identify a CETU when:

- (1) the withdrawal from the Cluster Study Process of two (2) or more Interconnection Requests for resources in the same electrical part of the New England Control Area; or
- (2) where procurements are underway for resources in the same electrical part of the New England Control Area; and, none of the resources described in (1) or (2) above will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC. System Operator may also initiate a CRPS in an electrical part of the New England Control Area where System Operator previously identified the need for a CETU to interconnect new

¹¹⁴ An identical provision is proposed for the Transitional Cluster Study in Section 5.1.1.2 of Schedule 22 of the OATT.

¹¹⁵ See *pro forma* LGIP, Section 7.3 (stating that “the Cluster Study Report shall identify the Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the requested Interconnection Service level and shall provide non-binding cost estimates for required Network Upgrades”).

resources.

Where circumstances exist that necessitate the conduct of a CRPS, the ISO would conduct the CRPS in accordance with Attachment K to the Tariff. In addition, any CETU and associated upgrades identified in the CRPS, together with any Generating Facilities that the CETU would enable to interconnect, may seek to enter the next Cluster Study, subject to meeting the Interconnection Requests, including the provision of the CETU Participation Deposit at the time of entry into the Cluster.¹¹⁶ The Order No. 2023 Revisions incorporate this proposal in Section 4.2.3.2 of the ISO-NE LGIP, which provides:

By the close of the Cluster Request Window, Interconnection Customer must submit to the System Operator, for a CETU eligible project, a deposit equal to five (5) percent of the Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CRPS report.

Further, the Order No. 2023 Revisions propose to revise Section 15 of Attachment K to conform to Schedule 22, including to recognize the new triggers for the conduct of a CRPS and to allow a resulting CETU to enter the next possible Cluster Study. By way of example, Section 15.1 is revised to include that:

The results of the CRPS will inform the Cluster Study and Transitional Cluster Study entry process and requirements for Interconnection Requests for Generating Facilities and Elective Transmission Upgrades that the System Operator determines need the CETU to meet the standards described in Sections 3.2.1 and 3.2.2 of Schedules 22, 23 and 25 of Section II of the Tariff.

As discussed in Section IV.B.1.c.iii.1 of this transmittal letter, the Filing Parties propose to revise Section 4.2.3 of the ISO-NE LGIP to provide that, following the submission of the CETU Participation Deposit, Interconnection Customers with CETU-eligible Interconnection Requests would need to submit the same Commercial Readiness Deposits as other Interconnection Requests included in the Cluster. The potentially non-refundable CETU Participation Deposit is identical to the initial Cluster Participation Deposit currently required under the Sections 4.2.3.2.2 and 4.2.4.4 for CETU-eligible requests that elect to enter a CSIS. This initial deposit for CETU-enabled requests remains appropriate for entry into a Cluster Study due to the significant cost and risks associated with CETUs, and the need to ensure they are subscribed before they are assumed in the Base Case for a Cluster Study as well as to ensure that Interconnection Requests are for viable projects, minimizing the likelihood of withdrawals, which could be impactful given the size of CETUs. Under Sections 4.2.3.1.2 and 4.2.1.3, the CETU Participation Deposit will remain refundable under the same circumstances as today (i.e.,

¹¹⁶ Proposed ISO-NE LGIP, Sections 4.2.3.1.1, 4.2.3.2. (the term CETU Participation Deposit is proposed to replace the current "Cluster Participation Deposit" term due to the new definition of Cluster under the *pro forma*)

where the CETU is over- or undersubscribed, or the cost estimate of a CETU rises beyond 25% above the estimates in a draft Cluster Study Report).

Because the Order No. 2023 Revisions no longer provide for Interconnection Requests included in a given Cluster to be individually queued, certain features of the existing Clustering design need to be modified. Currently, the rules address the circumstances where there is oversubscription and backfilling upon withdrawal. The Filing Parties propose to revise the rules to provide that, where a CETU that is included in the Cluster Study Base Case becomes oversubscribed (i.e., Interconnection Requests that exceed the MWs enabled by the CETU meet the requirements to enter the Cluster), the ISO would fill the CETU first with Interconnection Requests for Generating Facilities that have been selected in, or are contractually bound by, a state-sponsored request for proposals, thereby giving priority to those projects with this level of demonstrated viability.¹¹⁷ This is in contrast to the current requirements of Section 4.2.3.3.2, which requires that a CETU is filled first in queue order. To effectuate this, the Order No. 2023 Revisions revise Section 4.2.3.3 to provide:

If the Interconnection Requests identified by the System Operator as needing the CETU identified in the final CRPS report that elect to enter the Cluster Study exceed the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report, the System Operator shall fill the CETU first with Interconnection Requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals. In the event that the CETU is filled and additional Interconnection Requests are not able to be included, such requests will not proceed into the Cluster Study, all deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

Allowing for this method of filling a CETU as part of the Cluster Study process will provide flexibility to the region to identify major transmission upgrades consistent with state procurements,¹¹⁸ and ultimately, to interconnect significant amounts of generation outside of the time limited Cluster Study Process, thereby making both processes more efficient. Oversubscription would automatically lead to the initiation of another CRPS—to identify the CETUs for a subsequent cluster entry. Relatedly, the Filing Parties also propose to remove the backfilling provisions in current Section 4.2.3.3.3 because backfilling based on queue order is incompatible with a Cluster Study process where all projects in a

¹¹⁷ Order No. 2023 did not adopt non-financial readiness requirements. *See* Order No. 2023 at P 695-96, 698). The concerns articulated by the Commission related to are not present in New England because utilities are generally directed by state policy makers to undertake procurements and are not vertically integrated.

¹¹⁸ *See e.g.* Maine PUC Docket 2021-00369, *Request for Proposals for Renewable Energy Generation and Transmission Projects Pursuant to the Northern Maine Renewable Energy Development*, <https://mpuc-cms.maine.gov/CQM.Public.WebUI/Common/CaseMaster.aspx?CaseNumber=2021-00369>.

cluster are considered equally queued and, given that Interconnection Requests may only be submitted during a Cluster Entry Window, there would be no Interconnection Requests with which to backfill.

v. *Process Component Changes*

1. *Application Fee and Cluster Study Deposits*

Order No. 2023 (as modified in Order No. 2023-A) modifies numerous sections in the *pro forma* LGIP to incorporate commercial readiness deposits and study deposits that Interconnection Customers must submit at various stages in the process.¹¹⁹ The Filing Parties propose to deviate from the *pro forma* application fee and study deposit requirements in Order Nos. 2023 and 2023-A, as follows.

Specifically, rather than the sliding scale of study deposits, the Filing Parties propose to maintain the existing construct, which provides for uniform initial application and study deposits for all Interconnection Requests (except for CETU eligible projects, which are required to submit a 5% share of their network upgrade assignment, as discussed further below in Section IV.B.1.c.ii).

To facilitate the Commission's consideration, the complete proposed schedule of fees, deposits and Commercial Readiness Deposits for Schedule 22 is summarized in the following table (each set of deposits is discussed in turn):

	<u>Cluster Study Entry Window</u>			<u>Cluster Study Report</u>	<u>Facilities Study Agreement</u>	<u>Interconnection Agreement</u>
	<i>Initial Application Deposit</i>	<i>Study Deposit</i>	<i>Readiness Deposit</i>	<i>Readiness Deposit</i>	<i>Readiness Deposit</i>	<i>Readiness Deposit</i>
Form of Deposit	Cash: Submitted to ISO	Cash: Submitted to ISO	Cash, Surety Bond, or LOC: Submitted to ISO	Cash, Surety Bond or LOC: Submitted to ISO	Cash, Surety Bond, or LOC: Submitted to ISO	Form of Security Acceptable to Transmission Owner
LGIP	\$50,000	\$250,000	\$500,000	5% Network Upgrade Assignment	10% Network Upgrade Assignment	20% Network Upgrade Estimate
LGIP CETU Designated ¹²⁰	\$50,000	\$250,000	5% Network Upgrade Assignment	N/A	10% Network Upgrade Assignment	20% Network Upgrade Estimate
LGIP CNRIS-Only	\$50,000	\$100,000	\$200,000	5% Network Upgrade Assignment	10% Network Upgrade Assignment	20% Network Upgrade Estimate

¹¹⁹ See generally Order No. 2023 at PP 490-814.

¹²⁰ See *infra* Section IV.B.1.c.ii (discussing deposits related to CETU-designated projects).

First, the Filing Parties propose to retain, in Section 3.4.1.1 of the ISO-NE LGIP, the existing, uniform \$50,000 initial application deposit for all requests submitted under the LGIP, which is required to be submitted in cash.¹²¹ This deposit is applied toward the ISO's costs to review the Interconnection Requests and the modeling and data prior to the start of the Cluster Study, as well as of the costs of developing the Interconnection Agreement.

Currently, the review of Interconnection Requests and associated modeling data and the development of the Interconnection Agreement regularly exceed this level of expense today. The Filing Parties submit that it is reasonable to maintain this amount in order to ensure that the ISO has sufficient funds to review data and modeling promptly upon receiving an Interconnection Request during the relevant Cluster Request Window.¹²² Except in the circumstances described below, any unused amounts of the initial application deposit will be refunded to the Interconnection Customer if it withdraws prior to the close of the Customer Engagement Window, within ten Business Days following the Scoping Meeting or upon executing an LGIA.

Consistent with Order No. 2023-A, however, the Filing Parties propose to modify Section 3.4.4 to specify that where the Interconnection Request is withdrawn due to a deficiency in the request, only \$5,000 of the initial application deposit will be forfeited. Section 3.4.4 is proposed to state in relevant part that:

In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, System Operator shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), \$5,000 of the application fee is forfeited to System Operator, and any unspent portion of the application fee, the study deposit, and Commercial Readiness Deposit shall be returned to Interconnection Customer.

This will ensure that, despite the need for a higher initial application deposit, Interconnection Customers are not inappropriately penalized for being withdrawn at the close of the Cluster Request Window relative to the *pro forma* LGIP. Moreover, as is the case today, any unused amounts of the remaining initial application deposit will be refunded to the Interconnection Customer if it withdraws within ten Business Days following the Scoping Meeting or upon executing an LGIA.

Second, for Interconnection Requests in New England, project size is not a ready indicator of study cost or complexity. Due to the nature of the New England Transmission System, Interconnection Studies have to consider many variables beyond the proposed project size that could lead to upgrades.

¹²¹ FCM/Queue Amendments at 40-41.

¹²² The Commission recently determined that a non-refundable application fee was reasonable where it reasonably reflects the costs to process Interconnection Requests and the fees are used to in fact process the Interconnection Request. *See Sw. Power Pool, Inc.*, 187 FERC ¶ 61,050 (2024); *see also Midcontinent Independent System Operator Inc.* Letter Order, 187 FERC ¶ 61,052 (2024) at P 73 (finding it just and reasonable to use forfeited funds to address the impact of withdrawals on projects remaining in the MISO queue).

Accordingly, the Filing Parties propose to revise Section 3.4.1.1 of the ISO-NE LGIP to require a uniform \$250,000 study deposit.¹²³ The study deposit reflects the current costs of studies in New England, given the complexity of SISs (now Cluster Studies) conducted in the region, which will continue to be the definitive study for the identification of all upgrades required for the project to interconnect to the Administered Transmission System. Due to the need to allow Interconnection Customers that have already received NRIS to also obtain CNRIS (or to allow updates to increase CNRIS), the Filing Parties propose a lower, \$100,000 study deposit for these projects, to recognize that they are already part of the NRIS Base Case for a given Cluster Study. Additionally, while a higher initial study deposit may discourage speculative projects from entering a Cluster Study, ultimately, all Interconnection Requests will be allocated their full share of Cluster Study costs on a 50% MW and 50% per capita basis consistent with Order No. 2023.

Third, the Filing Parties propose to incorporate the Commercial Readiness Deposits in Sections 3.1, 3.4.2, 5.1.1.2, 7.5, and 8.1 of the ISO-NE LGIP, and 4.1 of the ISO-NE LGIA, with minor deviations to specify that the security, if provided as a letter of credit (or surety bond once the ISO is in a position to be able to accept them, as discussed below) must be in a form acceptable to the ISO; and, for the LGIA deposit in Article 4.1 of the LGIP that it must be in a form acceptable to the Interconnecting Transmission Owner. These changes are reasonable conditions associated with the acceptance of non-cash securities.

2. *Allocation of Cluster Study Costs*

In Order No. 2023, as part of the Cluster Study Process, the Commission revised Section 13.3 of the *pro forma* LGIP to allow each transmission provider to propose a study cost allocation ratio for allocating the shared costs of Cluster Studies between a per capita basis and pro rata by MW.¹²⁴ The Order requires that between 10% and 50% of study costs must be allocated on a per capita basis, with the remainder (between 90% and 50%) allocated pro rata by MW, but a transmission provider may propose to retain its existing study cost allocation ratio if it falls within this range and meets the requirements of this final rule.¹²⁵

To comply with Order No. 2023, the Filing Parties have revised Section 7.2 of the ISO-NE LGIP to allocate study costs among Cluster participants on a 50% per capita and 50% per MW basis, consistent with the order. This allocation maximizes the percentage of costs allocated per capita, because, in ISO-NE's experience, project size is not a good indicator of study costs for Interconnection

¹²³ The Filing Parties proposed a similar deposit structure for the SGIP in the Order No. 2023 Related Changes filed in Docket No. ER24-2007.

¹²⁴ Order No. 2023 at P 416.

¹²⁵ *Id.*

Studies performed for Generating Facilities seeking to interconnect to the Administered Transmission System.

3. *Increased Financial Commitments and Readiness Requirement*

As part of the shift to the first-ready, first-served Cluster Study Process, Order No. 2023 adopts various reforms intended to discourage speculative Interconnection Requests so that transmission providers can focus on viable Interconnection Requests. These reforms include: (1) increased study deposits (calculated based on the size of the Generating Facility and collected upon entry into the cluster and then trued up based on actual study costs);¹²⁶ (2) changes to the requirements for the demonstration of Site Control (documentation to show sufficient proof of Site Control, ensuring control is exclusive, requiring 90% at time of request submission, allowance for deposits in lieu of Site Control in certain situations);¹²⁷ (3) the inclusion of commercial readiness deposits at various points in the process (an initial deposit with the Interconnection Request, a deposit following conclusion of the Cluster Study, another prior to the beginning of the Facilities Study, and at the time of LGIA execution);¹²⁸ and (4) the application of withdrawal penalties, calculated in the manner established in Section 3.7 of the *pro forma* LGIP for Interconnection Requests that fail to reach Commercial Operation, absent certain exceptions.¹²⁹ The Order No. 2023 Revisions incorporate the financial commitments and readiness requirement, with limited, targeted deviations, described below.

First, the Filing Parties propose to adopt in the Order No. 2023 Revisions the option for Interconnection Customers to submit letters of credit (“LOCs”) for the Commercial Readiness Deposits required in Sections 3 and 5 of the ISO-NE LGIP. Currently, ISO-NE does not accept LOCs for any deposit amounts due to the ISO under the Interconnection Procedures, including the study deposits and various readiness deposits. At present, ISO-NE requires that all deposits in the interconnection process be provided in cash.¹³⁰ However, while there are no current requirements in place for reviewing and accepting LOC for interconnection process deposits, LOCs are acceptable form of Financial Assurance for market participation purposes.¹³¹ Therefore, the Filing Parties propose to revise Section 3.1 of the ISO-NE LGIP, which addresses the form of deposits submitted to the ISO to recognize the addition of LOCs as an acceptable form of Commercial Readiness Deposits. Specifically, the proposed revisions clarify that Interconnection Customers may provide cash, an LOC or a combination thereof, the LOCs must be in a form and from a financial institution acceptable to the ISO, and there will be a limited, ten-

¹²⁶ *Id.* at PP 502-03.

¹²⁷ *Id.* at PP 584, 595.

¹²⁸ *Id.* at PP 690-702, 714.

¹²⁹ *Id.* at PP 780, 783. This section states that customers will face increasing penalties based on study costs (for withdrawals before Cluster Restudy) or Network Upgrade cost estimate increases (for later withdrawals)) and that distributed penalties pay first for study costs, then for any Network Upgrades for the Cluster, with any excess funds being refunded.

¹³⁰ *See* ISO-NE LGIP, Section 3.1.

¹³¹ *See* Tariff, Exhibit I.B, Section X.B (Letter of Credit).

day cure period where technical errors (i.e., errors not associated with the dollar amount of the security) with an LOC can be resolved.¹³² To facilitate this optionality, the ISO will post on its public website the acceptable form of LOC and a list of allowed financial institutions, together with additional guidance regarding the submittal of LOCs. This is similar to how the ISO administers LOCs for purposes of Financial Assurance,¹³³ and the manner in which LOCs have been administered in other RTO regions.¹³⁴ These changes are reasonable in that they add transparency as to how LOC acceptance will be administered and do not change the underlying requirement of the *pro forma*.

While not envisioned in Order No. 2023, Order No. 2023-A expands the types of instruments that may be used by Interconnection Customers as a Commercial Readiness Deposit to also include surety bonds.¹³⁵ As stated above, the ISO also accepts LOCs for purposes of the Financial Assurance, but does not accept surety bonds for any reason under the ISO Tariff. While in the case of the LOCs, there are existing LOC processes that the ISO can leverage for administering LOCs in the context of Commercial Readiness Deposits for interconnections, including the transition, there are no established processes at the ISO for the administration of surety bonds. Accordingly, in order to allow the ISO time to develop the necessary processes and systems to accept surety bonds, the Filing Parties propose to accept only cash and/or LOCs during the Transition Process, which, assuming a Commission order by August 12, 2024, is expected to commence on that date (via the provision of Transitional Cluster And Facilities Study Agreements to eligible Interconnection Customers). This would leave the ISO insufficient time to establish all of the processes needed to support surety bonds, and to begin accepting surety bonds only for Commercial Readiness Deposits under the Interconnection Procedures for the first Cluster Study to be conducted after the transition. These deviations are reflected in Sections 3.1 and 5 (to exclude surety bonds from the transition process). Section 3.1 states in relevant part:

Unless otherwise stated, all Commercial Readiness Deposits that must be submitted to the System Operator under this LGIP must be (a) delivered to the System Operator's bank account by electronic transfer, (b) through the provision and maintenance of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Letter of Credit Issuers, as described

¹³² See *Chairman Phillips and Commissioner Clements Joint Concurrence Regarding Ridgeview Solar LLC (ER24-18)*, Federal Energy Regulatory Commission (Nov. 30, 2023), <https://www.ferc.gov/news-events/news/chairman-phillips-and-commissioner-clements-joint-concurrence-regarding-ridgeview> (stating that “PJM should revise its Tariff to adopt a cure period that provides interconnection customers a reasonable time to address any deficiencies that PJM identifies in satisfying applicable financial requirements, whether related to letters of credit, forms of collateral, or otherwise, as PJM already does with regard to other similar requirements”).

¹³³ See *FAQs: Financial Assurance*, ISO New England Inc., <https://www.iso-ne.com/participate/support/faq/financial-assurance> (last visited May 10, 2024).

¹³⁴ See *Letter of Credit Frequently Asked Questions*, PJM Interconnection, L.L.C. (Mar. 28, 2024), <https://www.pjm.com/-/media/planning/rtep-dev/expansion-plan-process/letter-of-credit-faq.ashx>.

¹³⁵ Order No. 2023-A at P 185.

on the System Operator's public website, (c) a surety bond in a form and from an institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Surety Bond Issuers, as described on the System Operator's public website or (d) a combination thereof. Each letter of credit or surety bond must specify the Interconnection Request to which it corresponds. Further, notwithstanding Section 5 of this LGIP to the contrary, an Interconnection Customer may replace the acceptable forms of Commercial Readiness Deposits provided therein with a surety bond any time after such form is deemed acceptable by the System Operator. All costs associated with obtaining a letter of credit or surety bond shall be borne by Interconnection Customer. In the event that System Operator identifies an administrative deficiency with a submitted letter of credit or surety bond, Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

If the System Operator removes the financial institution from the list, Interconnection Customer shall have ten (10) Business Days from the date on which System Operator provides notice of such removal to replace the letter of credit or surety bond with a letter of credit or surety bond from a financial institution on the list. The System Operator may extend this cure period in its sole discretion. Failure to cure a deficiency within the periods prescribed in this Section 3.1 shall result in the withdrawal of the Interconnection Request pursuant to Section 3.7 of the LGIP without further opportunity to cure. System Operator shall only provide refunds and/or distribute funds held as part of a Commercial Readiness Deposit to the extent that there are sufficient funds available from the applicable form of financial security.

The Filing Parties, however, have included language in Section 3.1 of the ISO-NE LGIP that would allow Interconnection Customers to replace the Commercial Readiness Deposit, provided as cash or LOC during the transition process, with a surety bond once the ISO is able to accept them. To avoid potential confusion in the future, pursuant to Section 3.1, Interconnection Customers may change their deposit type to another acceptable form of deposit at any time, provided that the ISO holds the correct amount of deposits at all times, without interruption. The ISO's acceptance of surety bonds will be limited to the Commercial Readiness Deposits required by Order No. 2023, however, and will not extend to any other provisions of the Tariff for which financial assurance is required.

Second, the Filing Parties propose to retain the current Site Control requirements in the ISO-NE LGIP (with some added clarifications required by the order), which the Commission previously accepted as independent entity variation as a result of the FCM/Queue Amendments,¹³⁶ consistent with or superior to Order No. 2023. Briefly, the ISO's LGIP currently requires that Interconnection Customers provide evidence of 100% Site Control for Interconnection Request seeking CNRIS, at the time that the request is submitted, and either 100% Site Control or a \$10,000 deposit in lieu of Site Control for Interconnection Requests seeking NRIS. To date, the existing higher level of Site Control

¹³⁶ See FCM/Queue Amendments, Rourke Testimony, p. 34.

(as opposed to the 90% required in Order No. 2023) has not been identified as a barrier to Interconnection Customers seeking to enter the queue. In fact, the growth in the ISO's queue in recent years indicates that this requirement is not a barrier at all. Rather than allow easier entry into the queue by lowering the current level of Site Control required and introduce new administrative burdens for tracking a lower level of Site Control, the Filing Parties propose to retain the 100% Site Control requirement. Retaining this requirement is consistent with the intent of Order No. 2023 to increase readiness requirements for Interconnection Requests and superior to the requirement in so much as an Interconnection Customer will have to demonstrate more Site Control earlier in the process.

The Filing Parties, however, have made revisions to the definition of Site Control in Section 1 of the ISO-NE LGIP to clarify that Site Control must be exclusive to the Interconnection Customer as this requirement makes clear that the Site Control provided must be held by the Interconnection Customer itself, and not by another affiliated or non-affiliated entity. The revised definition provides:

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Additionally, the Filing Parties have revised Section 3.4.1 to require 100% Site Control for an Interconnection Request to be deemed valid.

Third, as indicated above, the Filing Parties propose to retain some of the elements of the existing Clustering construct, including the identification of CETUs in a CRPS conducted under Attachment K to the OATT. Once the ISO identifies a CETU, the ISO may include it in the Base Case for a Cluster Study, together with Interconnection Requests for Generating Facilities or ETUs that need the CETU in order to connect to the Administered Transmission System. Given the cost related to CETUs, the Filing Parties propose a modified Commercial Readiness Deposit structure for Interconnection Customers with Generating Facilities that are enabled by a CETU. Specifically, an Interconnection Customer with a Generating Facility that is enabled by a CETU must provide an initial CETU Deposit of 5% of the cost of the CETU (in cash) at the time it submits its Interconnection Request, or after the ISO identifies, during the Customer Engagement Window that the proposed

interconnection needs the CETU. Once the Cluster Study Process is underway, the CETU-enabled Interconnection Requests will be subject to the same additional CRDs required for all other requests in the Cluster. This deviation is necessary to continue use of the CETU construct and to ensure that Interconnection Requests enabled by a CETU demonstrate increased commitment before the CETU and the Generating Facility are included in the Cluster Study. It is also consistent with Order No. 2023's intent to ensure the viability of projects entering the queue,¹³⁷ and to not disrupt clustering efforts that are already ongoing.

4. Cluster Study Schedule and Deadlines

In Order No. 2023, as affirmed in Order No. 2023-A,¹³⁸ the Commission eliminates the Reasonable Efforts standard and adopts firm study deadlines.¹³⁹ Specifically, Order No. 2023 revises the existing deadlines in Sections 7.4 and 7.5 of its *pro forma* LGIP to provide for a 150-day Cluster Study and 150-day Cluster Restudy process. Order No. 2023, however, recognizes that transmission providers may seek variations from the *pro forma* LGIP in the compliance process.¹⁴⁰ In Order No. 2023-A, the Commission reiterates that “transmission providers may explain specific circumstances on compliance and justify why any deviations are either consistent with or superior to the *pro forma* LGIP or merit an independent entity variation.”¹⁴¹ In granting rehearing on this issue, the Commission clarifies that “Order No. 2023 does not preempt transmission providers from proposing tariff-defined study deadlines that may differ from the *pro forma* LGIP's 150-day schedule.”¹⁴²

As reflected in the Order No. 2023 Revisions, the Filing Parties propose to deviate from these study deadlines. Specifically, in Sections 7.4 and 7.5 of the ISO-NE LGIP, the Filing Parties propose to increase the Cluster Study deadline to 270 Calendar Days, but correspondingly reduce the timeframe

¹³⁷ Order No. 2023 at P 49.

¹³⁸ Order No. 2023-A at PP 280-83, 314-15.

¹³⁹ Order No. 2023 at P 970.

¹⁴⁰ *Id.* at P 10 (“We note that the compliance obligations that result from this final rule will be evaluated in light of the independent entity variation standard for regional transmission organizations (RTO) and independent system operators (ISO) and the consistent with or superior to standard for non-RTO/ISO transmission providers”).

¹⁴¹ Order No. 2023-A at P 156.

¹⁴² *Id.*

for the Cluster Restudy to 90 Calendar Days. With these deviations, the total study time for these phases would be 360 Calendar Days, rather than the 300 Calendar Days under the *pro forma*.

The proposed 270 Calendar Days deadline for the Cluster Study reflects the Commission-accepted 270-Calendar Day time period for SISs performed in New England, meets the independent entity variation standard, remains just and reasonable, and fulfills the purposes of Order No. 2023.

The Commission accepted increasing the deadline for completing SISs under the ISO-NE LGIP from 90 to 270 Calendar Days in an order issued on March 19, 2020, in Docket No. ER19-1952.¹⁴³ As the Filing Parties explained in the Order No. 845 Compliance Filing, the ISO revised Section 3.5 of the LGIP to provide that it will maintain, on its website, summary statistics related to processing Interconnection Studies. The then-current timelines for the SIS reflected the Reasonable Efforts timelines contained in the *pro forma* provisions adopted in Order No. 2003, which did not align with improvements to the study scopes implemented to address unique issues presented in the region. Recognizing a discrepancy in the ISO-NE LGIP-required timeline for the SIS and the actual amount of time the study required on average, the ISO proposed to change the required timelines for its studies.¹⁴⁴ The Commission accepted the variations from the original study timelines, including for the SIS, in order to provide the Commission with data that more meaningfully reflected the expected duration of the studies in the Order No. 845-required posting of Interconnection Studies' statistics.¹⁴⁵

In New England, the SIS is the single, comprehensive evaluation to ensure that the addition of the proposed project will not cause any reliability problems on the transmission system, and identify necessary upgrades, given that Interconnection Customers have had the option to waive both the Feasibility Study and the Facilities Study.¹⁴⁶ Comprehensive SIS results allow for Interconnection Customers to proceed directly to the Interconnection Agreement phase of the process, without conducting an Interconnection Facilities Study.

The SIS scope includes a comprehensive steady state (thermal, voltage, and short circuit) evaluation of the proposed interconnection. A full stability analysis is also included. The New England system includes several stability-limited interfaces that cannot be degraded by system additions. Also, consistent with recent NERC guidance, the SIS includes electromagnetic transient analysis in PSCAD for all inverter-based resources such as solar, wind, and battery facilities to evaluate weak-grid performance, examine any control interactions and benchmark model performance. Finally, the study process often requires sub-transmission analysis, which can take more time than transmission-only studies. After completion of the SIS, the Interconnection Customer may proceed directly to the Interconnection Agreement phase of the process, without conducting a Facilities Study.

In its March 19, 2020 order accepting the revisions, the Commission stated:

¹⁴³ See Study Revisions Order at P 28.

¹⁴⁴ See Study Revisions Order at P 28.

¹⁴⁵ *Id.*

¹⁴⁶ Order No. 845 Compliance Order at PP 19, 69, 83.

We agree with Filing Parties that the current deadlines do not reflect the reality of ISO-NE's interconnection study process, which has become more elaborate as ISO-NE has addressed unique regional issues. For example, we recognize that the electromagnetic transient studies that ISO-NE performs for inverter-based resources can lengthen the study times. This practice justifies a longer timeline for ISO-NE's system impact study than the one provided for in the Commission's *pro forma* LGIP.¹⁴⁷

As the ISO's Order No. 845 quarterly reporting metrics have shown since that time, the 270-day timeframe for SIS in New England remains a realistic timeframe for the Cluster Study.¹⁴⁸ As detailed in the ISO's most recent Interconnection Study Metrics Report for Q4, 2023, during most quarters since Q4 of 2020, the ISO has completed SISs between 200 and 400 days from when the studies commence.¹⁴⁹ The variation is due in large part to higher-queued projects withdrawing, or data issues encountered during the study. While studies for individual Interconnection Requests may take longer due to circumstances in a given area of the system, the process improvements made since Order No. 845, including expanded use of consultants and pre-reviewing data before the start of SISs have helped to expedite the study process.

The Filing Parties expect similar efficiencies to accrue as a result of the Cluster Study process as all Interconnection Requests will be studied using a single Base Case developed for the Cluster Study (as opposed to a Base Case for each individual Interconnection Request, and all Interconnection Requests should be "study ready" by virtue of the increased modeling requirements under Order No. 2023. However, 270-Calendar Days remains the reasonable time period to conduct Cluster Studies in New England, because, unlike the SIS process today, Cluster Studies will identify the upgrades for multiple projects simultaneously and also identify the upgrades necessary for the Interconnection Customer to achieve Capacity Network Resource Capability ("CNRC"). While the Filing Parties are proposing these timelines for initial implementation, the ISO has committed to work with stakeholders on improvements going forward, including methods to reduce these timelines. Those efforts are described in Section IV.D of this transmittal letter, below.

Additionally, while the Cluster Study phase would be slightly longer than that adopted in Order No. 2023, the Filing Parties propose to mitigate this impact in two ways. First, the ISO will reduce deadline for the Cluster Restudy from 150 to 90 days, which will be possible because the Cluster Restudy will use the same Base Case Data as the Cluster Study and will be reduced in scope because it will involve fewer Interconnection Requests. Second, the ISO proposes to retain the previously approved variation,¹⁵⁰ under which Interconnection Customers may waive a Facilities Study and

¹⁴⁷ Study Revisions Order at P 28.

¹⁴⁸ The quarterly reports are filed in Docket No. ER19-1951-000.

¹⁴⁹ See e.g. ISO New England Inc. Interconnection Study Metrics Fourth Quarter, 2023 Processing Time Exceedance Report, Docket No. ER19-1951-000 (Feb. 14, 2024).

¹⁵⁰ See Study Revisions Order at P 28.

proceed directly from a Cluster Study (or Restudy) to Interconnection Agreement negotiations if the Interconnection Customer: (1) has no shared Network Upgrades; or (2) all Interconnection Customers that share an upgrade agree to waive the Facilities Study. The Order No. 2023 Revisions incorporate the language to allow this waiver in Section 7.5 of the ISO-NE LGIP, which provides, in relevant part:

Within twenty (20) Calendar Days following the Cluster Study Results Meeting, or Cluster Restudy Results Meeting (as appropriate) study results meeting, the Interconnection Customer shall provide to the System Operator written notice that it will either pursue the Interconnection Facilities Study or waive the Interconnection Facilities Study and elect an expedited interconnection. Notwithstanding the foregoing sentence, the option to waive the Interconnection Facilities Study is not available for Interconnection Customers that share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy unless each Interconnection Customer agrees in writing to waive the Interconnection Facilities Study. In a case where Interconnection Customers share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy and do not agree to waive the Interconnection Facilities Study, such study shall be performed at a level of +/- 20 percent.

The Filing Parties submit that the proposed set of timelines is reasonable in that it adheres closely to the overall timeframes required in Order No. 2023, which includes a mandatory Facilities Study. The set of timelines also remains consistent with the ISO's current study process, which provides for the SIS (now the Cluster Study) to be the definitive study allowing an Interconnection Customer to proceed to Interconnection Agreement negotiations earlier in the process.

Finally, the Filing Parties propose to revise Section 3.4.1 of the ISO-NE LGIP to provide for the next Cluster Study to begin after all Interconnection Requests in a Cluster Study have either withdrawn, or proceeded to a Facilities Study or Interconnection Agreement negotiations. The next Cluster Request Window would open sixty Calendar Days after any necessary Cluster Restudy of the previous Cluster is complete. Doing so allows for heatmaps to be updated prior to the start of the next Cluster. The Filing Parties also revise Section 3.4.1 to provide thirty Calendar Days' notice that the next Cluster window will open. Structuring the process in this way is reasonable because Interconnection Customers will have the benefit of both updated heatmaps, and the previous Cluster Restudy Report before the submittal window for Interconnection Requests for the next Cluster opens. That additional information and the additional time to process it will allow for more informed decisions about whether to submit an Interconnection Request, thereby reducing potential withdrawals and making the interconnection process more efficient.

5. Allocation of Network Upgrade Costs

Order Nos. 2023 and 2023-A set forth cost allocation requirements for Network Upgrades. For System Network Upgrades identified as part of the Cluster Study, the orders provide that costs be initially allocated to all Interconnection Customers within a Cluster using a Proportional Impact

Method, and the costs of Network Upgrades located at substations be allocated equally among each Generating Facility interconnecting to the same substation on a per capita basis.¹⁵¹ The orders provide for costs of shared Interconnection Facilities be directly assigned to Interconnection Customers on a per capita basis though such customers can agree to alternate arrangements.¹⁵²

Schedule 11 of the OATT governs cost allocation for Generating Facility and ETU interconnection-related upgrades, including CETUs, and these rules apply equally across all Interconnection Procedures. In order to comply with the cost allocation requirements in Order No. 2023, the Filing Parties propose to revise Schedule 11 as follows.¹⁵³

The Filing Parties propose to revise Sections 5(i) through 5(iii) of Schedule 11 to clearly delineate the cost allocation rules for CETUs and non-CETU Network Upgrades. Section 5(i) maintains the existing cost allocation methodology for CETUs with certain modifications to account for the revisions to the Clustering rules described earlier, and update Tariff cross-references. These rules, which the Filing Parties propose to maintain for CETUs, provide that “where total costs of such [CETU are] multiplied by the ratio of the Generator Owner or ETU IC’s respective distribution impact divided by the total distribution impact of all the Interconnection Requests in the entire Cluster that require the CETU based on the following distribution factor cost allocation methodology.” This method remains just and reasonable, and consistent with Order No. 2023’s requirement that Network Upgrades be allocated based on a distribution factor evaluation.

Section 5(ii) describes the cost allocation rules applicable to non-CETU Network Upgrades. Consistent with Order No. 2023 and 2023-A, the non-CETU Network Upgrades include subcategories for Substation Network Upgrades, System Network Upgrades, and System Network Upgrades comprising reactive devices or substation additions beyond the Point of Interconnection, as well as Interconnection Facilities. The proposed revisions provide for the costs for each category of upgrades to be allocated as follows.

Substation Network Upgrades will be allocated on a per capita basis, consistent with Order Nos. 2023 and 2023-A, which clarified that such upgrades must be allocated first based on the number of interconnections at a given voltage, and then on a per capita basis to Interconnection Customers connecting at that voltage. In practice, the Filing Parties anticipate that, where multiple Interconnection Customers are identified as being responsible for Substation Network Upgrades, the costs will first be divided based on voltage such that all substation Network Upgrades at 115 kV will be allocated separately from costs at 69 kV. Once that allocation is complete, the costs at those respective voltages will be divided on a per capita basis between Interconnection Customers at each voltage level. The Filing Parties have included language specifying the cost allocation for Substation Network Upgrades

¹⁵¹ Order No. 2023 at P 453.

¹⁵² *Id.* at P 454.

¹⁵³ The Filing Parties note that the rules related to Standalone Network Upgrades/Option to Build are contained in Schedule 22 and have been revised in accordance with Order No. 2023-A with only minor deviations to reflect the terminology of the ISO-NE Tariff.

in Schedule 11, with minor deviations for clarity given the structure of Schedule 11 versus the *pro forma* LGIP. The proposed language in Schedule 11, Section 5(ii)(1)(a) is as follows:

Substation Network Upgrades, including switching stations, shall be allocated first per capita for each Interconnection Facility interconnecting to the substation at the same voltage level, and then per capita to each Generating Facility or ETU sharing the Interconnection Facility.

Consistent with Order Nos. 2023 and 2023-A, System Network Upgrades that do not include reactive devices or substation upgrades beyond the Point of Interconnection “shall be allocated based on the proportional impact of each individual Generating Facility or ETU in the Cluster on the need for a specific Network Upgrade, as determined by a proportional impact analysis,” as detailed in the ISO New England Planning Procedures, “System Network Upgrades comprising reactive devices or any substation additions beyond the Point of Interconnection shall be allocated based on a proportional impact method and threshold, as detailed in the ISO New England Planning Procedures.”¹⁵⁴ Interconnection Facilities will be assigned directly to the Generator Owner using the facilities.

The Proportional Impact Method used by the ISO, which will be further detailed in the ISO New England Planning Procedures, will include identification of the generators that have a greater than 3% distribution factor (“DFAX”) (in the pre-upgrade case) on the overloads identified in the most limiting contingency for each overload. In the case of NRIS, this DFAX will be calculated by transferring from the generator to ISO-NE load under the most limiting contingency condition. In the case of CNRIS, the DFAX will be calculated by transferring from the generator to the Load Zone under the most limiting contingency condition.¹⁵⁵ If either test is greater than 3%, then the generator shares responsibility for the upgrade associated with that overload (even if the upgrade solves more than one overload). A Proportional Impact Method will also be used for non-thermal upgrades, with the details to be included in the ISO New England Planning Procedures. Inclusion of additional detail regarding the use of the Proportional Impact Methods in the ISO New England Planning Procedures is consistent

¹⁵⁴ Proposed OATT, Schedule 11, Section 5(ii)(1)(b).

¹⁵⁵ As defined in Section I.2 of the Tariff, a Load Zone is “a Reliability Region,” which is subsequently defined as “any one of the regions identified on the ISO’s website. Reliability Regions are intended to reflect the operating characteristics of, and the major transmission constraints on, the New England Transmission System.”

with the Commission's Order No. 2023,¹⁵⁶ which, consistent with the "rule of reason,"¹⁵⁷ states that the technical implementation details are inappropriate for inclusion in the Tariff.¹⁵⁸

6. *Project Size Reductions*

In Order No. 2023, as clarified by Order No. 2023-A, the Commission declined to require that transmission providers allow for size reductions following the Cluster Study, but before the Cluster Restudy.¹⁵⁹ The Filing Parties propose, however, to deviate from the *pro forma* LGIP to allow Interconnection Customers to reduce the size of their proposed Generating Facility between the Cluster Study and the Cluster Restudy. Specifically, 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 Interconnection Request withdrawals), an Interconnection Customer with an Interconnection Request remaining in the Cluster may request a one-time decrease in the size of the Generating Facility for the restudy. If the Cluster Study results identified that the Interconnection Customer is not responsible for any shared Network Upgrades with another Generating Facility or ETU proposed in a separate Interconnection Request included in the Cluster, the reduction will not constitute a Material Modification and the restudy will proceed using the reduced facility size. The Order No. 2023 Revisions incorporate this proposed deviation in Section 7.5 of the ISO-NE LGIA, as follows:

At the same time that Interconnection Customer submits the information required under this Section 7.5(1)(a) and (b), an Interconnection Customer may also request a decrease in the size of the Large Generating Facility, provided that the Cluster Study identified that the Large Generating Facility proposed in the Interconnection Customer's Interconnection Request does not share any Network Upgrades with a Generating Facility or Elective Transmission Upgrade proposed in a separate Interconnection Request. If System Operator determines that a Cluster Restudy is required under this Section 7.5 of this LGIP, within ten (10) Business Days of that determination Interconnection

¹⁵⁶ Order No. 2023 at P 462.

¹⁵⁷ See *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 118 FERC ¶ 61,119, at PP 1649-50 (2007); *Sw. Power Pool, Inc.*, 161 FERC ¶ 61,261, at P 50 (2017) (finding that technical details implementing a Tariff-defined process were appropriately contained in a technical manual rather than the SPP Tariff); *Cal. Indep. Sys. Operator Corp.*, 122 FERC ¶ 61,271, at P 16 (2008) (finding that "[i]t is appropriate for Business Practice Manuals to contain implementation details, such as instructions, guidelines, examples and charts, which guide internal operations and inform market participants of how the CAISO conducts its operations under the MRTU tariff," but explaining that the Commission applies a 'rule of reason' test to identify "those provisions significantly affecting rates, terms and conditions of service, which therefore must be filed for Commission approval") (citations omitted)).

¹⁵⁸ See Order No. 2023 at P 462 (stating that "specific metrics and thresholds for implementing the allocation, or other specific technical information, may be included in business practice manuals, or publicly posted on the transmission provider's website").

¹⁵⁹ Order No. 2023-A at P 144.

Customer shall provide all required updated modeling and data associated with the requested decrease in the size of the Large Generating Facility for use in the Cluster Restudy. If the System Operator determines that a Cluster Restudy is not required, the Interconnection Customer's request to decrease the size of the Large Generating Facility shall constitute a Material Modification pursuant to Section 4 of this LGIP.

The Filing Parties submit that this deviation is just and reasonable and consistent with Order No. 2023, which allows Interconnection Customers to reduce the Generating Facility size between the Cluster Study and the Facilities Study.¹⁶⁰ Because the Facilities Study is waivable in New England, this stage of the process (i.e., between the Cluster Study and the Cluster Restudy) is the appropriate one for an Interconnection Customer to make such a request. Moreover, allowing for the reduction in size under the specified conditions will not adversely impact any other Interconnection Customer included in the Cluster, since there would be no change in the cost or timing for their requests

vi. *Transition Process*

Order Nos. 2023 and 2023-A require that transmission providers adopt a process for transition to be conducted prior to the first Cluster Study.¹⁶¹ The Transition Process must include offering Interconnection Customers up to three transition options depending on which phase of the study process they are in: (1) a Transitional Serial Interconnection Facilities Study; (2) a Transitional Cluster Study comprised of a clustered SIS and individual facilities studies; or (3) withdrawal from the interconnection queue without penalty. Transmission providers must identify Interconnection Customers that are eligible for the transitional serial and cluster study options within thirty Calendar Days of the date of the transmission provider's compliance filing with Order No. 2023 (i.e., thirty days from May 14, 2024, or June 11, 2024). Interconnection Customers who elect a transitional study, regardless of whether they are eligible for the transitional serial study or the transitional cluster study, are required to demonstrate 100% Site Control for their proposed Generating Facilities. Order No. 2023 also imposes penalties equal to nine times the cost of all studies performed for each Interconnection Request since entering the transmission provider's queue on any Interconnection Customer that withdraws from either transitional study. The detailed requirements for the transitional cluster study, including timing and deposits, are reflected in Section 5.1.1.2 of the *pro forma* LGIP.¹⁶²

To comply with Order No. 2023, the Filing Parties propose to adopt the transition process set forth in Order No. 2023 in full, including Transitional Serial Facilities Studies and a Transitional Cluster Study, with limited deviations necessary, primarily to incorporate ISO-NE Tariff terminology and service constructs. The Order No. 2023 Revisions incorporate the transition process (including

¹⁶⁰ *Pro forma* LGIP, Section 4.4.1.

¹⁶¹ See Order No. 2023 at P 855.

¹⁶² Note that the Filing Parties do not propose to add *pro forma* Section 5.1.2 to Schedule 22 because the ISO intends to follow the Order No. 2023 transition process; therefore, the section is inapplicable.

corresponding changes in the Appendices to the LGIP to incorporate the study agreements, with minor modifications to terminology to mirror those in ISO-NE's existing agreements), together with the proposed deviations in Section 5 of the ISO-NE LGIP.

In addition to adopting the required transition process, and in response to stakeholder input, the Filing Parties also propose to offer Interconnection Customers additional processes to: (1) account for ISO-NE's current disaggregation of the CNRIS FCM-related milestones from the interconnection study process; (2) ensure that late stage projects are not harmed by the transition; and (3) allow for ongoing CRPS, CSIS and/or CFAC under the current Clustering constructs to be included in the transition process, including the inclusion of distribution level studies in the Base Case for the Transitional Cluster Study. These deviations warranted by the transition into the Order No. 2023 Cluster Study Process are each discussed below.

1. Transitional CNR Group Study

The Order No. 2023 Revisions incorporate a new Section 5.1.1.3 of the ISO-NE LGIP to provide for the conduct of a Transitional CNR Group Study, given the transition process' disruption to the current means by which Interconnection Customers achieves CNRIS through the ISO's capacity market and the need to reintegrate this into the interconnection study process.

The proposed Section 5.1.1.3 provides for the ISO to perform the Transitional CNR Group Study prior to the start of the Transitional Cluster Study to evaluate the capacity deliverability of any Generating Facility for which the Interconnection Customers have: (1) a valid request for CNRIS; (2) not previously secured a CSO; and (3) an expected Commercial Operation Date on or before June 1, 2028.

The ISO will perform the study together with the Interim Reconfiguration Auction Qualification process described in Section III.13.A.2 of the Tariff, which was accepted by the Commission as part of the FCA 19 delay, discussed above. Due to the timing of this study, and the reconfiguration auctions for which it will allow participation, the ISO must largely complete the study by September 2024, necessitating a Commission order accepting the Order No. 2023 Revisions, including Section 5.1.1.3, by no later than August 12, 2024.¹⁶³

The ISO will perform the Transitional CNR Group Study in the same manner as the current CNR Group Study, which, as discussed above, will be replaced with the Cluster Study for resources subject to the ISO-NE Interconnection Procedures going forward, and any Interconnection Requests that are identified as not requiring any capacity deliverability-related upgrades will be eligible to receive CNRIS at the level of CNRIS studied. Interconnection Requests that qualify under this process will be required to elect critical path schedule monitoring under the existing Section III.13 of the Tariff, and submit a deposit of \$1,000,000, as indicia of viability, which will be refunded upon the Generating Facility reaching Commercial Operation. If Generating Facility does not reach Commercial Operation,

¹⁶³ See *infra* Section IV.B.1.iv.1 (explaining the need for this study to begin in 2024).

the ISO will refund the deposit minus any required Withdrawal Penalty under Section 3.7 of Schedule 22, consistent with the treatment of other Interconnection Requests.

The addition of the Transitional CNR Group Study is a necessary component of complying with Order No. 2023. It addresses the reality that pursuant to the current CNRIS construct, which is being overhauled in order to comply with Order No. 2023's requirement to incorporate a new Cluster Study Process that considers all Interconnection Requests in a given Cluster as equally queued, approximately 27 active Interconnection Requests have completed the NRIS milestones, including completion of SISs and execution of Interconnection Agreements, but that have not participated in a CNRI Group Study or obtained an obligation through an FCM auction to secure CNRIS. The addition of the Transitional CNR Group Study is just and reasonable because it provides late stage projects, which have substantially completed the process and do not require deliverability upgrades to participate in FCM activities on the same schedule as energy market activities. Pursuant to proposed Section 3.2.1.3 of Schedule 22 Interconnection Customers may submit both an SOI to participate in the Transitional CNR Group Study and return a Transitional Cluster Study Agreement to the ISO, but will only be eligible to complete one process. Specifically in the event that an Interconnection Customer completes the Transitional CNR Group Study, it would be withdrawn from the Transitional Cluster Study without penalty and without impacts on the Transitional Cluster Study which will be in early stages when the Transitional CNR Group Study is completed. This avoids the need to include these requests in the Transitional Cluster Study, thereby creating efficiencies by reducing the number of requests included in that study.

2. Late Stage SIS Completion

The Filing Parties also propose to allow for the ISO to complete additional late-stage SISs before the Transition Process commences. Specifically, the Filing Parties propose to provide in Section 5.1.1.2 of the ISO-NE LGIP that, for Interconnection Requests with assigned Queue Positions as of thirty Calendar Days after May 14, 2024, and for which SISs are projected to be completed between June 13, 2024, and August 30, 2024, the ISO will tender the Interconnection Customer a Transitional Cluster Study Agreement.

However, if the ISO completes the SIS and the Interconnection Customer accepts it by August 30, 2024, the Interconnection Request would no longer proceed to the Transitional Cluster Study. Instead, the Interconnection Customer will be tendered an Interconnection Agreement pursuant to Section 11 of the ISO-NE LGIP and will be refunded any deposits, if any deposits had been submitted by that time, associated with participation in the Transitional Cluster Study. The Order No. 2023 Revisions incorporate this proposal in Section 5.1.1.2 as follows:

Interconnection Customers for which the System Operator projects to complete the system impact studies between June 13, 2024 and August 30, 2024, shall be tendered a Transitional Cluster Study Agreement, in the form of Appendix 7 to this LGIP, no later than the Commission-approved effective date of this LGIP. However, if the Interconnection Customer accepts the results of its system impact study on or before August 30, 2024, the System Operator shall not include the Interconnection Request in the Transitional Cluster Study and

instead tender a Large Generator Interconnection Agreement pursuant to Section 11 of this LGIP, and refund any deposits associated with participation in the Transitional Cluster Study.

This deviation, requested by several stakeholders, will introduce more efficiencies in the Transitional Cluster Study and ensure that late stage projects are not forced to restart studies when they are almost complete. It is, therefore, a just and reasonable deviation and consistent with the interconnection efficiency objective of Order No. 2023.

3. Incorporation of Ongoing Cluster Studies

In Order No. 2023, the Commission states that it “recognize[s] that many transmission providers have adopted or are in the process of adopting similar reforms to those adopted in this final rule,” and that it did “not intend to disrupt these ongoing transition processes or stifle further innovation.”¹⁶⁴ Consistent with this guidance, the Filing Parties propose certain deviations as part of the transition process in order to include the following ongoing studies under the existing Clustering provisions in the transition: the Third Maine CRPS, and the Second Cape Cod CSIS.¹⁶⁵

Specifically, the Filing Parties propose to revise Section 4.2.4 of the ISO-NE LGIP to provide that, for any CSIS completed prior to the Eligibility Date, any Interconnection Requests that seek to continue in the queue would continue through the current CFAC process and would be required to submit an additional deposit as they would under the current rules. This is consistent with the treatment for non-CETU enabled Interconnection Requests with a completed SIS prior to August 30, 2024, which will be eligible for Transitional Interconnection Facilities Studies, and required to submit Commercial Readiness Deposits.

Similarly, the Filing Parties propose to revise Section 4.3.2.1.1 to provide that, for any CRPS completed prior to the Eligibility Date, any Interconnection Requests that seek to continue in the queue, together with their enabling CETU, would be required to enter the Transitional Cluster Study, but continue to submit the deposits required under the current clustering rules, and be subject to the same refundability requirements described in Section III.C.2.c of this filing letter.

¹⁶⁴ Order No. 2023 at P 1765.

¹⁶⁵ For details regarding the status of these ongoing cluster studies, *see Cluster Interconnection Studies*, ISO New England Inc., <https://www.iso-ne.com/system-planning/interconnection-service/cluster-interconnection-studies> (last visited May 10, 2024).

4. *Transitional Cluster Study Base Case*

As briefly noted in Section IV.A of this transmittal letter, in New England, all requests to interconnect to distribution facilities are subject to the applicable state interconnection process. The associated studies are coordinated with the ISO pursuant to Section I.3.9 of the Tariff.

In the Order No. 2023 Revisions, the Filing Parties propose an addition to Section 4.1.1 of the ISO-NE LGIP to establish that the Base Case for the Transitional Cluster Study will include Distributed Energy Resources that are part of an affected system operator (“ASO”) study,¹⁶⁶ provided that the ASO study received approval from the ISO under Section I.3.9 of the Tariff within ninety Calendar Days of the start of the Cluster Study (or Transitional Cluster Study). This change is necessary to account for ongoing state interconnection studies and to avoid undue delay for projects subject to those studies being able to move forward in concert with the Transitional Cluster Study. This provision will have no impact on Interconnection Customers entering the Transitional Cluster Study and exists to ensure state and ISO queues are appropriately coordinated.

2. **Reforms to Increase Speed of Interconnection Queue Processing**

a. *Elimination of Reasonable Efforts Standard*

Order No. 2023, as affirmed in Order No. 2023-A,¹⁶⁷ eliminates the Reasonable Efforts standard currently used for Interconnection Study deadlines,¹⁶⁸ and in its place, establishes firm study deadlines and penalties if the studies are delayed past the tariff-specified deadlines.¹⁶⁹ Order No. 2023 provides that no study delay penalties will be assessed until the third Cluster Study. The order further provides that transmission providers will be allowed a ten-Business Day grace period and an option to extend a study’s deadline by thirty days upon agreement by the transmission provider and all Interconnection

¹⁶⁶ ASO studies are studies performed under the state jurisdictional interconnection processes that require coordination with the ISO’s Interconnection Queue. The ISO serves as the affected party to ASO studies, and helps to coordinate these projects approval through Section I.3.9 of the Tariff. As part of its implementation efforts related to Order No. 2023, the ISO has already begun outreach to distribution utilities and DER developers about the impact of the Order No. 2023 changes and the implications for ASO studies. *See ISO-NE*, FERC Order No. 2023 – State Jurisdictional Interconnection Coordination https://www.iso-ne.com/static-assets/documents/100009/order_2023_aso_study_coordination_webinar_clean.pdf (March 26, 2024).

¹⁶⁷ Order No. 2023-A at PP 280-83, 314-15.

¹⁶⁸ Order No. 2023 at P 973.

¹⁶⁹ *Id.*

Customers. The order also places caps on the overall penalty exposure (i.e., 100% of study deposits collected) and provides the opportunity for transmission providers to appeal delay penalties.¹⁷⁰

Where penalties are assessed, transmission providers are required to distribute study delay penalties on a pro rata basis per Interconnection Request to the Interconnection Customers and Affected System Interconnection Customers that did not withdraw, or were not deemed withdrawn, from the interconnection queue before the study deadline.¹⁷¹ RTOs may submit a Section 205 filing to propose a default structure for recovering study delay penalties and/or submit a Section 205 filing to recover the costs of specific study delay penalties.¹⁷² Study delay penalty costs may not be recovered from Interconnection Customers even if the delays were caused by the Interconnection Customers; however, such a case represents a basis for a potential good cause waiver request from the transmission provider of the study delay penalties.¹⁷³

As the Order No. 2023 Revisions reflect, the Filing Parties propose to incorporate the shift from the reasonable efforts standard to Tariff-designated deadlines in full, in Section 3.9 of Schedule 22, including the potential exposure to penalties for both the ISO and PTOs in the event that studies are complete after the Tariff required deadlines. However, the Filing Parties propose to deviate from the study deadlines set forth in Order No. 2023. As discussed in Section IV.B.1.b of this transmittal letter, the Filing Parties propose the following study deadlines:

- Cluster Study: 270 Calendar Days
- Cluster Restudy: 90 Calendar Days
- Facilities Study: 90-180 Calendar Days (waivable as described above)

This results in an overall study time frame of between 360 and 540 Calendar Days depending on whether an Interconnection Customer completes the Facilities Study and at which level of accuracy, as compared to a complete study timeframe of 390 to 470 Calendar Days under the Order No. 2023 *pro forma* study process. The 270 Calendar Day Cluster Study time frame preserves the ISO's existing Tariff-designated timeframe for SISs, which, as demonstrated in the ISO's Interconnection Metrics reports filed pursuant to Order No. 845,¹⁷⁴ is achievable. These reports have consistently indicated that

¹⁷⁰ *Id.* at PP 973, 979, 981-82, 984, 987. Penalties are capped at: (1) 100% of the initial study deposits received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (2) 100% of the initial study deposit received for the single Interconnection Request in the study for Facilities Studies; and (3) 100% of the study deposit(s) that the Affected System transmission provider collects for conducting the Affected System Study. *Id.* at P 984. In Order No. 2023-A, the Commission also clarified that "all penalties for delayed studies will apply on a per-study basis, per business day that the study is delayed past the tariff-specific deadline, rather than per interconnection customer." Order No. 2023-A at P 454.

¹⁷¹ *Id.* at P 990.

¹⁷² *Id.* at P 994.

¹⁷³ *Id.* at P 993.

¹⁷⁴ The quarterly reports are filed in Docket No. ER19-1951-000.

once the ISO begins a SIS, it is generally completed close to the existing 270 Calendar Day best efforts timeframe. Delays are usually the result of data issues or the need to conduct restudy due to the withdrawal of higher queued projects.

As noted above, within the ISO-NE study process, the SIS (which is being replaced by the Cluster Study) is definitive in that it identifies all upgrades required to interconnect a Generating Facility, and includes cost estimates, such that following its completion, an Interconnection Customer may proceed directly to Interconnection Agreement negotiations. The Facilities Study is used solely to provide more granular cost estimates for the upgrades identified. Additionally, the Filing Parties propose to clarify in Section 3.9(1) that the distribution of penalties shall not take place prior to the resolution of any appeals pursuant to Section 3.9(3) to avoid the potential for conflicting requirements. This process is therefore consistent with Order No. 2023, which requires the establishment of firm study timeframes and an overall set of study timelines that equal between 390 and 470 Calendar Days.¹⁷⁵

b. Affected Systems

In Order Nos. 2023 and 2023-A, the Commission adopted a series of new requirements related to Affected System. The new rules “establish an affected system study process in, and add several related definitions to, the *pro forma* LGIP.”¹⁷⁶ These include: (1) an initial notification requirement; (2) a study process with firm deadlines; (3) the establishment of interconnection queue priority for the purposes of network upgrade cost allocation; (4) the presentation of study results and an assessment of those results; (5) rules governing the scope of studies; (6) the application of penalties if an affected system transmission provider fails to meet a study deadline; and (7) the adoption of *pro forma* affected system study and facilities construction agreements.

The order also requires that: (1) transmission providers notify the affected system operator of a potential affected system impact caused by the interconnection request within ten business days of a trigger event;¹⁷⁷ after which (2) the affected transmission provider must share a non-binding good faith estimate of the cost and schedule to complete the affected system study;¹⁷⁸ and (3) that affected system study must consider the base case and higher-queued generating facilities on the affected system transmission provider’s transmission system and will include power flow, stability, and short circuit analysis.¹⁷⁹ These requirements are reflected in new Section 3.6 of the *pro forma* LGIA, as well as throughout the Attachments to the LGIP.

¹⁷⁵ With respect to the recovery of penalties, the ISO and the PTOs will, consistent with Order No. 2023, make a later filing under Section 205 of the FPA to either propose a generic penalty recovery framework or individual filings pursuant to Section 205 to recover penalties associated with a particular cluster, should penalties be levied.

¹⁷⁶ Order No. 2023 at P 1110.

¹⁷⁷ *Id.* at PP 1112, 1120.

¹⁷⁸ *Id.*

¹⁷⁹ *Id.* at P 1158.

The Filing Parties propose to adopt the new Affected Systems rules with limited ministerial deviations to account for the division of responsibilities between the ISO and PTOs. The Order No. 2023 Revisions incorporate these rules in Section 3.6A of the ISO-NE LGIP and in the Attachments thereto, including: (1) Appendix 8 – Two-Party Affected System Study Agreement; (2) Appendix 9 – Two Party Affected System Facilities Construction Agreement; (3) Appendix 10 – Multi-Party Affected System Study Agreement; and (4) Appendix 11 - Multi-Party Affected System Construction Agreement. Each of the Appendices were adopted in full from the *pro forma* versions, with limited terminology changes consistent with the ISO-NE Tariff, and the inclusion of necessary miscellaneous terms, consistent with those used in other Attachments to Schedule 22.

In Order No. 2023, the Commission noted that the new rules were not intended to replace or disrupt processes related to the identification and study of affected systems within a region.¹⁸⁰ Therefore, the Filing Parties propose to retain the existing rules in Section 3.6 of the ISO-NE LGIP related to Affected System studies conducted entirely within the New England Control Area, but to clarify, via the inclusion of new definitions, that the rules only apply to Internal Affected Systems. The coordination of these internal reviews takes place both through the Interconnection Procedures and Section I.3.9 of the ISO Tariff, and only minor changes are proposed to these rules to clarify that they apply only within the New England Control Area, and to specify that:

Interconnection Customer shall be responsible for the costs associated with the studies or portions of studies associated with the Internal Affected Systems, including costs associated with the requirements of Section I.3.9 of the Tariff.

This change recognizes that the costs associated with Section I.3.9 review are Internal Affected Systems costs, which individual Interconnection Customers, rather than a Cluster, are responsible for paying.

3. Reforms to Incorporate Technological Advancements into the Interconnection Process

a. Increasing Flexibility in the Generator Interconnection Process

i. Co-located Facilities/Addition of Generating Facilities

Order No. 2023 requires that transmission providers allow more than one Generating Facility to co-locate on a shared site behind a single Point of Interconnection and share a single Interconnection Request.¹⁸¹ Interconnection Customers, however, are not required to share a single Interconnection Request for multiple Generating Facilities located on the same site and may opt to submit separate Interconnection Requests to have each device studied separately.¹⁸² To the extent that a project will be co-located with one or more projects at the same site and behind a single Point of Interconnection, Interconnection Customers must demonstrate Site Control and shared land use by a contract or other

¹⁸⁰ *Id.* at P 1178.

¹⁸¹ *Id.* at P 1346.

¹⁸² *Id.* at PP 1351-52.

agreement. Generating Facilities that are to be co-located must also demonstrate that the site is large enough to host multiple facilities.

The order also requires that transmission providers evaluate whether a request to add a Generating Facility to an existing Interconnection Request is material, if it is submitted before the Interconnection Customer returns the executed Facilities Study Agreement to the transmission provider.¹⁸³ Once an executed Facilities Study Agreement is returned, the transmission provider may decide to automatically treat requests to add a Generating Facility to an existing Interconnection Request as Material Modifications without review.¹⁸⁴

ISO-NE already allows for co-located facilities under the existing Interconnection Procedures,¹⁸⁵ and for Interconnection Customers to share Interconnection Facilities.¹⁸⁶ Nevertheless, the Filing Parties revise the ISO-NE LGIP to adopt the *pro forma* language needed to implement these revisions with minor deviations for terminology discussed above.¹⁸⁷

ii. Availability of Surplus Interconnection Service

Order No. 2023 expands the availability of Surplus Interconnection Service to the point in time where the original Interconnection Customer has an executed LGIA or requests the filing of an unexecuted LGIA.¹⁸⁸ The Commission clarified in the Order that if the LGIA of the original Interconnection Request is suspended, then any submitted requests for Surplus Interconnection Service are also suspended, and new requests for Surplus Interconnection Service may not be submitted, until after the suspension is lifted.¹⁸⁹ If the original LGIA is terminated, including for exceeding the three-year suspension period, pursuant to *pro forma* LGIA Article 5.16, any related Surplus Interconnection Service allowed as a result of the original LGIA will be terminated because Surplus Interconnection Service is dependent upon the underlying Interconnection Service used by existing Generating Facilities.¹⁹⁰

¹⁸³ *Id.* at P 1409.

¹⁸⁴ *Id.* at P 1409.

¹⁸⁵ See e.g., Tariff, Section III.13.1.1.2.5.1 (a co-located resource is a resource made up of a storage device and a device of a different technology type connected at the same Point of Interconnection).

¹⁸⁶ See e.g., *ISO New England Inc.*, Letter Order, Original Service Agreement LGIA-ISONE/NSTAR-16-04, Docket No. ER16-2024-000 (Aug. 15, 2016); *ISO New England Inc.*, Letter Order, Standard Large Generator Interconnection Agreements, Docket No. ER09-1588-000 (Sept. 15, 2009).

¹⁸⁷ See Proposed ISO-NE LGIP, Section 4.4.3 (related to the addition of a Generating Facility to an Interconnection Request); Definitions - Interconnection Facilities and Interconnecting Transmission Owner's Interconnection Facilities (related to co-location/sharing Interconnection Facilities).

¹⁸⁸ Order No. 2023 at P 1436; *pro forma* LGIP, Section 3.3.1.

¹⁸⁹ Order No. 2023 at P 1440.

¹⁹⁰ *Id.*

The ISO included the Surplus Interconnection Service rules in Schedule 22 in compliance with Order Nos. 845 and 845-A. Currently, the definition of Surplus Interconnection Service in Schedule 22 relies on the concept of Unused Capacity at an existing Generating Facility as needing to be available before a customer can request surplus service. This concept is further broken down by service type with NRIS and CNRIS both having their own calculation for Unused Capacity.

In order to comply with Order No. 2023, the Filing Parties propose to adopt the new *pro forma* language regarding Surplus Interconnection Service, but with one deviation with respect to the timing of when Surplus CNRIS is available. Under the Order No. 2023 Revisions, the Filing Parties propose the following:

Unused Capacity shall mean: (i) in the case of NR Interconnection Service at a ~~an existing, commercial~~ Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the ~~existing, commercial~~ Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capacity as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capacity as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

The definition of Unused Capacity is, therefore, being revised to allow for Surplus NRIS to be available upon execution of the Interconnection Agreement. However, because of the nature of CNRIS and CNRC, the Filing Parties propose to retain the requirement that Unused CNRIS Capacity is only available once a Generating Facility is commercial. A Generating Facility's CNRC cannot be measured until a Generating Facility is in Commercial Operation, that is, under current capacity market rules, the amount of qualified capacity is based on the performance of the resource—which is not known until the facility enters operation. In addition, the facility must meet the Capacity Supply Obligation based on the qualified amount and it is not possible to meet more Capacity Supply Obligation than the amount of capacity interconnection service. The Filing Parties, therefore, propose to retain that Surplus CNRIS is available only where the existing Generating Facility is commercial.¹⁹¹

iii. *Operating Assumptions for Electric Storage Resources in Interconnection Studies*

Order No. 2023 requires transmission providers, at the request of the Interconnection Customer, to: (1) use operating assumptions that reflect the proposed charging behavior of an electric storage

¹⁹¹ See Order No. 845 Compliance Order at P 111 (accepting the definition of Unused Capacity for CNRIS but directing further changes regarding NRIS); see *ISO New England Inc.*, Letter Order, Order Nos. 845 and 845-A Compliance Filing, Docket No. ER19-1951-002 (Sept. 17, 2020) (accepting the revised definition of Unused Capacity).

resource; (2) allow Interconnection Customers to resubmit their operating assumptions if the transmission provider finds the originally proposed operating assumptions are in conflict with good utility practice; and (3) allow the transmission provider to require the Interconnection Customer to install additional control technologies. If a transmission provider finds an Interconnection Customer's proposed operating assumptions to be in conflict with good utility practice, the transmission provider must provide the Interconnection Customer with a clear explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than 30 Calendar Days before the end of the Customer Engagement Window and allow the Interconnection Customer to revise and resubmit the proposed operating assumptions one time at least ten Calendar Days before the end of the Customer Engagement Window.

Rather than adopt the *pro forma* requirements related to the specification of operating assumptions, the Filing Parties propose a uniform set of study assumptions for all storage projects, which will have the same effect as the requirements in Order No. 2023. Order No. 2023 allows Interconnection Customers to specify operating assumptions for storage projects in order to prevent transmission providers from studying storage devices charging at peak load. However, allowing individual customers to specify operating assumptions does not align with the New England market construct where these resources are subject to the Security Constrained Economic Dispatch ("SCED").

In addition, it will complicate Cluster Studies, negotiation of Interconnection Agreements, and, ultimately, system operations. Therefore, the Filing Parties propose to study all storage resources as charging at peak shoulder load, which for New England is net system-wide level 18,000 MW. Cluster Studies, therefore, will identify upgrades needed to charge at that load level, potentially reducing the upgrades needed from those that would be necessary if projects were studied for charging at peak load. Rather than incorporate specific operating restrictions in each storage facility's Interconnection Agreement, the Filing Parties propose to rely on the ISO's SCED process to prevent storage devices from being dispatched at load levels higher than the peak shoulder load under which the facility was studied.¹⁹² The Order No. 2023 Revisions incorporate this language in Sections 3.1, 3.3, 7.3, and 8.2 of the ISO-NE LGIP. This proposal, which received support from stakeholders, including storage developers, is consistent with and superior to the requirements of Order No. 2023 as it is more efficient from a study and operations perspective, but will accomplish the same goal of not studying storage devices for charging at peak load. It is further just and reasonable as an independent entity variation because it appropriately aligns the interconnection of storage resources with the existing SCED market construct.

¹⁹² The ISO uses the least-cost SCED model to dispatch generators and demand-response resources. The model considers many variables, including generation offers, system demands, and the impacts of congestion on Locational Marginal Pricing. Details regarding the considerations in this process are available at *FAQs: Day-Ahead Energy Market—Commitment, Scheduling, and Dispatch*, ISO New England Inc., <https://www.iso-ne.com/participate/support/faq/da-market-commitment#b> (last visited May 11, 2024).

b. Incorporating the Enumerated ATT into the Generator Interconnection Process

Order No. 2023 revises the *pro forma* LGIP to require that transmission providers evaluate the following enumerated list of alternative transmission technologies: static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting during any study of generator interconnection process without any request from a customer.¹⁹³ Transmission providers must evaluate each alternative transmission technology enumerated above in the Cluster Study, and determine, in the transmission provider's sole discretion, whether it should be used, consistent with good utility practice, applicable reliability standards, and other applicable regulatory requirements.¹⁹⁴ Transmission providers are also required to include in the Cluster Study Report, an explanation of the results of this evaluation for feasibility, cost, and time savings as an alternative to a traditional network upgrade.¹⁹⁵ Additionally, transmission providers—consistent with good utility practice, applicable reliability standards, and other applicable regulatory requirements—have the sole discretion to determine whether a particular technology in the enumerated list of alternative transmission technologies is appropriate and reliable as a network upgrade, or not, for a given cluster.¹⁹⁶

The Filing Parties have revised Section 7.3 of the ISO-NE LGIP to adopt the *pro forma* revisions, with minor deviations to conform terminology to that of the ISO-NE Tariff as described in Section IV.A above.

c. Modeling and Ride-Through Requirements for Non-Synchronous Generating Facilities

Order No. 2023 revises Attachment A to Appendix 1 of the *pro forma* LGIP to require that each Interconnection Customer requesting to interconnect a non-synchronous generating facility must submit, as part of its Interconnection Request:

- a validated user-defined root mean square (“RMS”) positive sequence dynamic model;
- an appropriately parameterized generic library RMS positive sequence dynamic model, including a model block diagram of the inverter control system and plant control system, that corresponds to a model listed in a new table of acceptable models or a model otherwise approved by Western Electricity Coordinating Council; and

¹⁹³ Order No. 2023 at P 1578; Order No. 2023-A at P 615.

¹⁹⁴ Order No. 2023 at P 1578; *pro forma* LGIP, Section 7.3; *pro forma* SGIP, Sections 3.3.6, 3.4.10.

¹⁹⁵ Order No. 2023 at P 1587. If a transmission provider evaluates the enumerated alternative transmission technologies as required herein and, in its sole discretion, determines not to use any enumerated alternative transmission technologies as an alternative to a traditional network upgrade, the transmission provider has complied with this final rule, including tariffs filed pursuant to this final rule. *Id.*

¹⁹⁶ *Id.* at P 1589.

- a validated electromagnetic transient (“EMT”) model, if the transmission provider performs an EMT study as part of the interconnection study process.¹⁹⁷

Additionally, the order revises Article 9.7.3 of the *pro forma* LGIA to establish “ride through”¹⁹⁸ requirements during abnormal frequency conditions and voltage conditions within the “no trip zone” defined by NERC Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards.¹⁹⁹ The order further requires that a non-synchronous generating facility ensures that, consistent with any physical limitations of the generating facility, it configures or sets its facility to ride through disturbances and continue to support system reliability.²⁰⁰

As described in Section III.C.2.c of this transmittal letter, in 2016, the ISO implemented new modeling and data requirements designed to make inverter-based Generating Facilities study-ready.²⁰¹ As part of that effort, the ISO eliminated the use and acceptance of user-defined RMS positive sequence models for purposes of Interconnection Studies because using library models reduces the time required to set-up new study cases and, correspondingly, helps to reduce the time to complete studies, and eliminates the use of the ISO’s engineering resources in testing and troubleshooting of user models.²⁰² Currently, Attachment A to the ISO-NE LGIP requires the submission of library models. Note that the allowance for library models allows for a manufacturer to develop a detailed model for their equipment (more detailed than a generic model) and have such a model added to the PSS/E library. Several equipment manufacturers have taken this step and their models have been used in interconnection studies and incorporated into base case models.

While Order No. 2023 provides for transmission providers to accept both user-defined and generic models for purposes of compliance, it left it to the discretion of the transmission provider to determine which models to use for study purposes.²⁰³ To comply with this requirement, the Filing Parties propose to revise Attachment A to Appendix 1 – Interconnection Request to Schedule 22 to include the required changes. The Filing Parties propose to include the requirements in full with the only deviations being those necessary to account for the structure of the ISO’s Interconnection Request form, terminology, and to clarify that while the ISO will accept user-defined models as required and will use these models to understand and verify the performance of the proposed Generating Facility

¹⁹⁷ *Id.* at P 1659.

¹⁹⁸ The term “ride through” is defined as the ability of the large and small generating facility to stay connected to and synchronized with the transmission system during system disturbances within a range of under-frequency and over-frequency conditions and under-voltage and over-voltage conditions. *Id.* at PP 1685, 1718.

¹⁹⁹ *Id.* at P 1711.

²⁰⁰ *Id.* at P 1717.

²⁰¹ *See* 2016 Improvements.

²⁰² *See* 2016 Improvements, Prepared Testimony of Mr. Alan McBride on Behalf of ISO New England Inc. at 30.

²⁰³ Order No. 2023 at P 1671.

equipment, it will not use those models to avoid or finalize upgrades identified in the studies, and will not use these models in base cases going forward, consistent with Order No. 2023.

As described above, the ISO has conducted detailed EMT studies of new inverter-based resources as part of the interconnection studies. In many ways, the EMT study has become the defining test of the transient response, weak-grid performance and control interaction for new inverter-based resources. The complexity of these studies is expected to continue to increase into the future. The ISO will continue to increase the requirements for model acceptance and benchmarking in its Planning Procedures. These requirements will include conformance expectations with the IEEE 2800 standard and the representation of any trip-settings that could be of concern for the facility.

4. Changes to Small Generator Interconnection Procedures

As detailed in the Order No. 2023 Related Changes filing, the Filing Parties are proposing wholesale revisions to the SGIA in Schedule 23 of the OATT to mirror the structure of the ISO-NE LGIP, as modified to comply with Order Nos. 2023 and 2023-A, and include Small Generating Facilities in the Cluster Study Process.

In Order No. 2023, the Commission directed specific revisions to Sections 1.5.5 – Modifications, 3.3.2 – Scope of Interconnection Feasibility Study, 3.4.3 – Scope of Interconnection System Impact Study, Attachment 2 – Small Generator Interconnection Request, SGIA Article 1.5.7, and the SGIA Definitions. Section 1.5.5 was revised to ensure that projects seeking modifications include modified modeling. Sections 3.2.2 and 3.4.3 were modified to state that the transmission provider was required to examine various grid enhancing technologies as part of the Feasibility and System Impact Studies. Attachment 2 was modified to require additional modeling information for Small Generators, and the SGIA definitions were modified to include new terminology.

As reflected in the Order No. 2023 Related Changes filed pursuant to Section 205 of the FPA, in Docket No. ER24-2007, these changes are superseded by the new Sections 4.4 - Modifications, 7.3 Scope of Cluster Study, and the revised Attachment A to the Schedule 23,²⁰⁴ which mirror the provisions in the LGIP, as modified in this compliance filing. These sections, as proposed in the Order No. 2023 Related Changes, are already compliant insofar as they now contain substantively identical requirements to those included by the Commission in the *pro forma* SGIP.

In further compliance with Order No. 2023, the Filing Parties propose incremental changes to the ISO-NE SGIA. Specifically, the Filing Parties propose to revise Article 1.5 of the ISO-NE SGIA to incorporate voltage and frequency requirements as follows:

For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by Reliability Standard PRC-024-3 or successor mandatory ride

²⁰⁴ Note that the changes to the definitions in the SGIA are not being incorporated as those changes are inapplicable under the ISO-NE Tariff, as the Filing Parties propose to remove the Feasibility Study rules from Schedule 23 as part of the Order No. 2023 Related Changes.

through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to: (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

This language is fully consistent with the *pro forma* SGIA revisions adopted in Order No. 2023.

V. STAKEHOLDER PROCESS; FUTURE EFFORTS

ISO-NE conducted collaborative stakeholder outreach through the NEPOOL Participant Process in order to obtain feedback from the region's stakeholders and discuss the plan for compliance with Order No. 2023. ISO-NE's Order No. 2023 Revisions, together with the Order No. 2023 Related Changes being filed concurrently (referred to herein as "compliance proposal") were considered through the complete NEPOOL Participant Process and was ultimately unanimously supported by the NEPOOL Participants Committee. As further described below, the compliance proposal was considered separately by two of NEPOOL's standing Technical Committees.

A. NEPOOL Transmission Committee Review

The NEPOOL Transmission Committee discussed Order No. 2023, considered proposals and provided input on compliance over the course of eight meetings, beginning on August 22, 2023.²⁰⁵ At the Transmission Committee's September 27, 2023 meeting, ISO-NE first gave an

²⁰⁵ At the August 22, 2023 Transmission Committee meeting, the Transmission Committee heard a presentation from NEPOOL Counsel on Order No. 2023 and asked specifics about the order.

overview of its proposed compliance filing and presented on the transition process and specific considerations for New England's capacity markets and capacity interconnection service.²⁰⁶

In light of the then-effective and fast-approaching Order No. 2023 compliance deadline (December 5, 2023) and the need to preserve a fulsome NEPOOL stakeholder process, on October 2, 2023, the NEPOOL Participants Committee filed a motion with the Commission requesting an additional forty-five days for compliance with Order No. 2023. On October 25, 2023, the Commission extended the compliance filing deadline to April 3, 2024, thereby providing additional time for further Technical Committee consideration and discussion of compliance proposals.

Starting at the October 17, 2023 NEPOOL Transmission Committee meeting, in addition to further presentations from ISO-NE, the Transmission Committee began to hear proposals regarding Order No. 2023 compliance from NEPOOL Participants for ISO-NE and NEPOOL consideration ("Participant Amendment Proposals"). Over the course of the November 9, November 21, and December 21, 2023, as well as at the January 4 and January 23, 2024 Transmission Committee meetings, the Transmission Committee considered over fourteen presentations from ISO-NE and discussed twenty-eight Participant Amendment Proposals.²⁰⁷ The Participant Amendment Proposals covered a wide range of interconnection-related topics, such as deposits, withdrawal penalties, the transition process, project changes during the interconnection process, greater transparency regarding study and cost allocation methodologies, and FCM related provisions of the interconnection procedures. Starting in early December, ISO-NE began posting proposed redlines to its Tariff for NEPOOL stakeholder review.²⁰⁸

²⁰⁶ See NEPOOL Transmission Committee, *Order 2023 – Improvements to Generator Interconnection Procedures and Agreements Transition Process – Detailed Review*, ISO New England Inc. (Sept. 27, 2023), https://www.iso-ne.com/static-assets/documents/100003/a04c_2023_09_27_tc_order_2023_compliance_transition.pdf; NEPOOL Transmission Committee, *Order 2023 – Improvements to Generator Interconnection Procedures and Agreements Transition Process – Detailed Review*, ISO New England Inc. (Sept. 27, 2023), https://www.iso-ne.com/static-assets/documents/100003/a04b_2023_09_27_tc_order2023_compliance_capacity_interconnection.pdf; NEPOOL Transmission Committee, *Order 2023 – Improvements to Generator Interconnection Procedures and Agreements Transition Process – Detailed Review*, ISO New England Inc. (Sept. 27, 2023), https://www.iso-ne.com/static-assets/documents/100003/a04a_2023_09_27_tc_order2023_compliance_overview.pdf.

²⁰⁷ In addition to the many presentations, ISO-NE also provided and updated a set of Frequently Asked Questions for stakeholders. See *ISO-NE Responses to New Process Related Questions Raised in the Context of Order No. 2023 Compliance Discussions*, ISO New England Inc. (Jan. 18, 2024), https://www.iso-ne.com/static-assets/documents/100007/2024_01_18_tc_order2023_new_process_faq_final.pdf.

²⁰⁸ ISO-NE ultimately posted over four versions of its Tariff redlines as the compliance proposal evolved with stakeholder feedback.

As a testament to the collaborative process between ISO-NE and the NEPOOL Transmission Committee, and the ISO's willingness to work with NEPOOL, the number of Participant Amendment Proposals was reduced from twenty-eight at its peak in January 2024 to just six at the time the Transmission Committee voted on February 15, 2024. While many of the Participant Amendment Proposals were dropped from consideration due to the understanding that they would not meet the requisite voting threshold rather than being adopted by ISO-NE,²⁰⁹ the ISO did incorporate a substantial number of Participant Amendment Proposals into its compliance proposal.²¹⁰ Throughout the Transmission Committee process, ISO-NE provided feedback on each Participant Amendment Proposal and engaged with stakeholders regarding the feasibility of a proposal.²¹¹

Although there was a collaborative and comprehensive dialogue throughout the Transmission Committee stakeholder process, ultimately ISO-NE's compliance proposal failed to pass at the Transmission Committee with a vote of 56.49% in favor, largely due to the lack of support from those committee members who supported some or all of the Participant Amendment Proposals.²¹² The six remaining Participant Amendment Proposals were also voted on and each also failed to meet the requisite minimum voting threshold to pass of 66.67%.²¹³

²⁰⁹ Any amendment offered at the Transmission Committee must meet the minimum 66.67% voting threshold in order to be supported by the Transmission Committee. This 66.67% voting threshold applies to NEPOOL consideration of all ISO-NE Tariff revisions, except for Market Rules and related revisions. See Memorandum from Transmission Committee Chair and Vice Chair to NEPOOL Transmission Committee (Feb. 1, 2024), https://www.iso-ne.com/static-assets/documents/100008/2024_02_01_tc_order_no_2023_voting_process_information.pdf.

²¹⁰ See Order No. 2023 – Improvements to Generator Interconnection Procedures and Agreements: ISO-NE's Compliance Design and Feedback on Remaining Stakeholder Proposals, ISO New England Inc., 29 (Feb. 15, 2024), https://www.iso-ne.com/static-assets/documents/100008/a03a_2024_02_15_tc_order2023_iso_design_overview_stakeholder_feedback_presentation.pdf ("February 2024 Presentation").

²¹¹ See, e.g., February 2024 Presentation; Alan McBride, *Participants Committee Updates Regarding ISO New England's Order No. 2023 Compliance Proposal*, ISO New England Inc. (Mar. 1, 2024), https://www.iso-ne.com/static-assets/documents/100009/2024_03_04_pc_memo_on_updates_to_iso_order2023_compliance.pdf.

²¹² See Jillian Macura, *Actions of the Transmission Committee from the February 15, 2024 Meeting*, ISO New England Inc. (Feb. 16, 2024), https://www.iso-ne.com/static-assets/documents/100008/2024_02_15_tc_actions_letter.pdf. The individual Sector votes were Generation (3.76% in favor, 12.94% opposed, and three abstentions), Transmission (16.70% in favor, 0.00% opposed, and zero abstentions), Supplier (10.44% in favor, 6.26% opposed, and two abstentions), Publicly Owned Entity (16.70% in favor, 0.00% opposed, and zero abstentions), Alternative Resources (2.48% in favor, 14.03% opposed, and four abstentions), and End User (6.42% in favor, 10.28% opposed, and one abstention). *Id.* at 2.

²¹³ See *id.*

B. NEPOOL Markets Committee Review

The Markets Committee considered revisions to Tariff, Sections I.2.2 and III.13 related to the construct for allocating CNRIS through the FCM. This review and input occurred over the course of three meetings, beginning at the December 12-14, 2023 meeting and concluding with a vote at the February 6-8, 2024 meeting. There were no Participant Amendment Proposals raised for discussion at the Markets Committee. The Markets Committee supported ISO-NE's proposed revisions to Market Rule 1 and Section 1.2.2 of the Tariff with no opposition.

C. NEPOOL Participants Committee Review

After failing to receive the requisite voting threshold at the Transmission Committee meeting in February 2024, ISO-NE, NEPOOL counsel, and Participant Amendment Proposal proponents coordinated to explore how differences could be narrowed and elements of the remaining Participant Amendment Proposals could be incorporated into the compliance proposal. Ultimately, ISO-NE was able to resolve four of the six Participant Amendment Proposals by adopting them in some form into the compliance proposal and a commitment regarding future stakeholder process in this filing letter, and the remaining two Participant Amendment Proposals were withdrawn by the proponents. As a result of this collaborative compliance effort, at its March 7, 2024 meeting, the NEPOOL Participants Committee voted unanimously to support the ISO-NE Compliance Proposal, with no other amendments proposed.²¹⁴ Therefore, NEPOOL fully supports this filing and the proposed Order No. 2023 Related Changes to the ISO-NE Tariff.

D. Future Stakeholder Efforts

During the implementation of the rules proposed herein, the ISO will continue its engagement with stakeholders both to ensure successful implementation at the outset and to assess potential improvements going forward. These plans were discussed with stakeholders at the February 15 Transmission Committee meeting.²¹⁵

The ISO's initial objective is to prepare the ISO and its Participants to successfully execute the sweeping changes encompassed in Order Nos. 2023 and 2023-A, and embodied in the compliance proposal. This will involve drafting conforming updates to the ISO New England Planning Procedures, offering training opportunities explaining the changes, and hosting technical sessions to ensure Participant readiness.

As soon as practicable, as the ISO and the region gain experience with implementing the new procedures, the ISO plans to conduct a series of follow-up sessions with stakeholders, including specifically with NEPOOL Participants, to: (i) discuss lessons learned in the new

²¹⁴ See *Noticed Actions of the NEPOOL Participants Committee*, ISO New England Inc. (Mar. 7, 2024), <https://www.iso-ne.com/static-assets/documents/100009/npc-noa-20240307.pdf>.

²¹⁵ See February 2024 Presentation at 21-23.

interconnection process, (ii) gather input from NEPOOL Participants on potential improvements, and (iii) discuss potential best practices on related interconnection issues and implementation, such as data and modeling improvements, automation, and non-material project size reductions for Interconnection Customers. This commitment to ongoing discussion of interconnection rule and implementation improvements based on experience and engagement with NEPOOL and other stakeholders was an important consideration for many of the NEPOOL Participants who collaborated with the ISO on the Order No. 2023 revisions.

VI. PTO AC REVIEW

The PTO AC voted unanimously to support the Order No. 2023 Revisions reflected in Schedules 11, 22, 23, and 25 of the OATT at its March 8, 2024, and April 24, 2024 meetings.

VII. REQUESTED EFFECTIVE DATE

The Filing Parties respectfully request that the Commission accept the Order No. 2023 Revisions reflected in Sections I, II and II of the Tariff as submitted in this filing, without modifications or conditions, to be effective August 12, 2024.

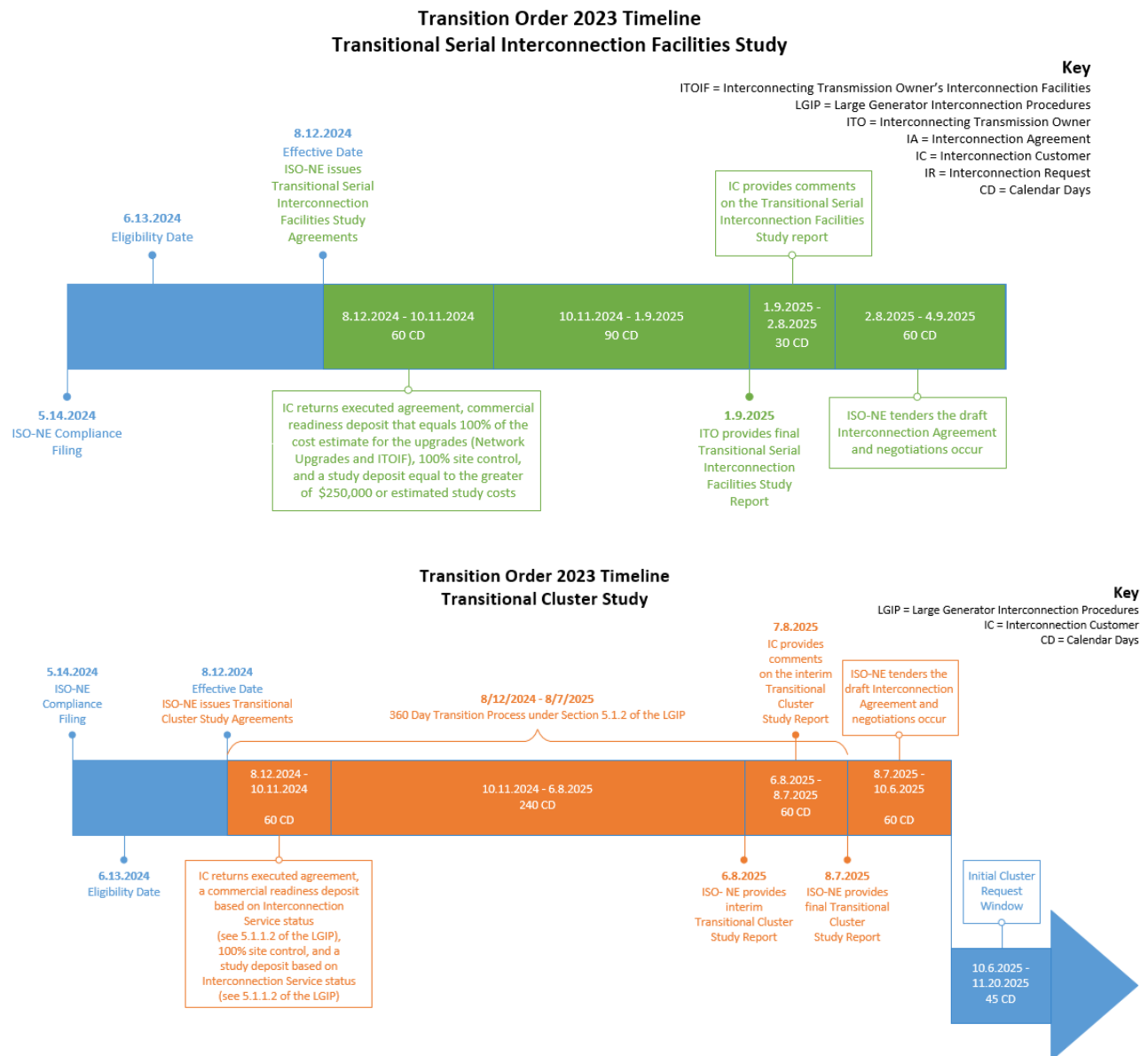
In Order No. 2023, the Commission stated:

[I]t is important to implement this final rule in a timely manner, given the pressing need to reform the interconnection processes, as discussed in this final rule. On the Commission-approved effective date of the transmission provider's compliance filing with this final rule, the transmission provider will commence the transition study process. After the conclusion of the transition study process, the transmission provider will begin the first standard cluster study process, and in its compliance filing, the transmission provider will indicate the number of calendar days after the conclusion of the transition study process when it will begin this first standard cluster study process (e.g., 30 calendar days after the conclusion of the transition study process). By setting a 90-calendar day compliance filing deadline, the Commission may be in a position to act on the filings sooner, which will allow transmission providers to commence the transition process and progress to the first standard cluster study process earlier, and thereby implement the reforms contemplated by this final rule earlier rather than later.²¹⁶

²¹⁶ Order No. 2023 at P 1762; *see also* Order No. 2023 at P 669 (“[W]e confirm that transmission providers may propose effective dates in their compliance filings that align with their existing queue processing dates, such as the start of a new processing window. We will consider these requests on a case-by-case basis in each individual compliance filing.”). The Filing Parties note that the Commission extended the compliance deadline in this proceeding until April 3, 2024; however, that extension did not modify the underlying rationale in Order No. 2023 regarding the speed with which the Commission sought to transition to the first-ready, first-served study process.

ISO-NE stands ready to begin the transition process. As discussed earlier, an August 12, 2024 effective date will allow ISO-NE to promptly commence the transition process, which is proposed to occur as follows:

Figure 3: Filing Parties' Proposed Transition Timeline



The Filing Parties submit that it is critical for the Commission to accept the Order No. 2023 Revisions, together with the companion Order No. 2023 Related Changes, as of August 12, 2024.

As described in Section IV of this letter, to comply with Order Nos. 2023 and 2023-A, the ISO must upend the existing capacity interconnection and clustering construct. An August 12, 2024 effective date allows the region to align the Order No. 2023 transition process with the interim reconfiguration auction (“RA”) qualification process being performed for 2024 pursuant to Section III.13.1A.2 of the Tariff, and to leverage that process to facilitate the transition for Interconnection Customers with Interconnection Requests for CNRIS or CNIIS to establish CNRC and CNIC, respectively. A significant delay would prevent ISO-NE from being able to perform the Transitional CNR Group study as part of this year’s interim RA qualification process. Interim RA qualification process schedules are set by the FCM, independent of the interconnection process.

The opportunity to perform the Transitional CNR Group Study will be lost if cannot fit into the set 2024 interim RA qualification process schedule, because the 2024 interim RA qualification process schedule is set by the FCM and cannot be modified for interconnection process considerations, and the Transitional CNR Group Study cannot be performed after the Transitional Cluster Study has significantly proceeded. The Transitional Cluster Study must model any CNRC/CNIC previously established by higher queue priority projects, which includes projects that would successfully complete the Transitional CNR Group Study. Therefore, the Transitional CNR Group Study must be completed before the Transitional Cluster Study has significantly proceeded.

Consistent with Order No. 2023, this filing sets a June 13, 2024 Eligibility Date after which no new Interconnection Requests will be accepted until the first standard Cluster Study opens. An August 12, 2024 effective date will allow the ISO to promptly commence the Order No. 2023 transition process, which the ISO plans to complete in its entirety by 2025, at which time, it will open the first standard Cluster Study process, thereby minimizing the period during which no Interconnection Requests may be submitted to approximately one year. Order No. 2023 recognizes as one of the reasons for the need to reform the interconnection process that the queue backlog has reliability impacts.²¹⁷

Any delay in commencing the transition process and opening the standard Cluster Study process impacts the progress of resources that are needed to meet the region’s policy objectives²¹⁸ The ISO has previously said that “[s]ensitivity analysis highlights the dynamic nature of the region’s energy adequacy risk profile . . .” and that “[t]imely additions of [behind the meter] and utility-scale [photovoltaic], offshore wind, and incremental imports from [New England Clean Energy Connect] are critical to mitigate energy shortfall risks that result from significant winter load growth and retirements.”²¹⁹

²¹⁷ Order No. 2023 at PP 3, 54.

²¹⁸ From 2015 to 2024, Connecticut, Maine, Massachusetts, and Rhode Island have solicited more than 14,650 MW of supply through large-scale clean energy procurements, consisting primarily of wind, solar, hydro, and nuclear energy resources. This is driving proposals in the ISO queue.

²¹⁹ See NEPOOL Reliability Committee, *Operational Impact of Extreme Weather Events: Probabilistic Energy Adequacy Tool (PEAT) – Results of Shareholder-Informed Winter 2032 Sensitivity Analysis*, ISO New England Inc., 33 (Nov. 14, 2023) https://www.iso-ne.com/static-assets/documents/100005/a08_operational_impact_of_extreme_weather_events.pdf.

In addition, acceptance of the transition rules proposed herein, particularly those related to the Transitional CNR Group Study, will allow Interconnection Customers to begin taking part in Forward Capacity Market activities in the interim reconfiguration auction cycles that will take place in 2024. A delayed order in this proceeding would result in these Interconnection Customers needing to wait until a later auction cycle, which would not only be detrimental to those Interconnection Customers, but would result in a less robust auction.

The Filing Parties therefore submit that it is critical for the Commission to accept the Order No. 2023 Revisions, together with the companion Order No. 2023 Related Changes, as of August 12, 2024.

VIII. ADDITIONAL SUPPORTING INFORMATION

Section 35.13 of the Commission's regulations generally requires public utilities to file certain costs and other information related to an examination of traditional cost-of-service rates.²²⁰ However, the revisions filed herein are not traditional "rates." Further, ISO-NE is not a traditional investor-owned utility. Therefore, to the extent necessary, the Filing Parties request waiver of Section 35.13 of the Commission's regulations. Notwithstanding their request for waiver, the Filing Parties submit the additional information enumerated below in substantial compliance with relevant provisions of Section 35.13.

35.13(b)(1) – Materials included herewith are as follows:

- ♦ this transmittal letter;
- ♦ redlined Tariff revisions of Section I.2, Section II.48, Schedule 11, Schedule 22, Attachment K, and Section III.13 of the ISO-NE Tariff reflecting the Order No. 2023 Revisions; (Attachment 1);
- ♦ clean Tariff revisions of Section I.2, Section II.48, Schedule 11, Schedule 22, Attachment K, and Section III.13 of the ISO-NE Tariff reflecting the Order No. 2023 Revisions (Attachment 2);
- ♦ Current Status of the ISO-NE Queue (Attachment 3); and
- ♦ List of governors, utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, and others to whom a copy of this filing has been e-mailed.

35.13(b)(2) - As noted above, the Filing Parties request that the Order No. 2023 Revisions submitted with this filing become effective upon the issuance of an order by the Commission accepting the filing

²²⁰ 18 C.F.R. § 35.13.

35.13(b)(3) - Pursuant to Section 17.11(e) of the Participants Agreement, Governance Participants are being served electronically rather than by paper copy. The names and addresses of the Governance Participants are posted on the ISO-NE website at <https://www.iso-ne.com/participate/participant-asset-listings/>. A copy of this transmittal letter and the accompanying materials have also been sent electronically to the governors and electric utility regulatory agencies for the six New England states that comprise the New England Control Area, to the New England Conference of Public Utility Commissioners, and to the Executive Director of the New England States Committee on Electricity. In accordance with Commission rules and practice, there is no need for the Governance Participants or the other entities described above to be included on the Commission's official service list in the captioned proceeding unless such entities become intervenors in this proceeding.

35.13(b)(4) - A description of the materials submitted pursuant to this compliance filing is listed above in this section of the transmittal letter.

35.13(b)(5) - The reasons for this compliance filing are discussed in Sections III and IV of this transmittal letter.

35.13(b)(6) - ISO-NE's approval of these revisions is evidenced by this compliance filing. These revisions reflect the results of the Participant Processes required by the Participants Agreement.

35.13(b)(7) - The Filing Parties have no knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

IX. CONCLUSION

For the foregoing reasons, the Filing Parties respectfully request that the Commission accept the Order No. 2023 Revisions as proposed herein, without modifications or conditions, to become effective August 12, 2024, and issue an order on or before that date.

Respectfully submitted,

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ATTACHMENT 1

I.2 Rules of Construction; Definitions

I.2.1 Rules of Construction:

In this Tariff, unless otherwise provided herein:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting a gender include all genders;
- (c) references to a particular part, clause, section, paragraph, article, exhibit, schedule, appendix or other attachment shall be a reference to a part, clause, section, paragraph, or article of, or an exhibit, schedule, appendix or other attachment to, this Tariff;
- (d) the exhibits, schedules and appendices attached hereto are incorporated herein by reference and shall be construed with an as an integral part of this Tariff to the same extent as if they were set forth verbatim herein;
- (e) a reference to any statute, regulation, proclamation, ordinance or law includes all statutes, regulations, proclamations, amendments, ordinances or laws varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, policies, protocols, codes, proclamations and ordinances issued or otherwise applicable under that statute unless, in any such case, otherwise expressly provided in any such statute or in this Tariff;
- (f) a reference to a particular section, paragraph or other part of a particular statute shall be deemed to be a reference to any other section, paragraph or other part substituted therefor from time to time;
- (g) a definition of or reference to any document, instrument or agreement includes any amendment or supplement to, or restatement, replacement, modification or novation of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;
- (h) a reference to any person (as hereinafter defined) includes such person's successors and permitted assigns in that designated capacity;
- (i) any reference to "days" shall mean calendar days unless "Business Days" (as hereinafter defined) are expressly specified;
- (j) if the date as of which any right, option or election is exercisable, or the date upon which any amount is due and payable, is stated to be on a date or day that is not a Business Day, such right, option or election may be exercised, and such amount shall be deemed due and payable, on the next succeeding Business Day with the same effect as if the same was exercised or made on such date or day (without, in the case of any such payment, the payment or accrual of any interest or

other late payment or charge, provided such payment is made on such next succeeding Business Day);

- (k) words such as “hereunder,” “hereto,” “hereof” and “herein” and other words of similar import shall, unless the context requires otherwise, refer to this Tariff as a whole and not to any particular article, section, subsection, paragraph or clause hereof; and a reference to “include” or “including” means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

I.2.2. Definitions:

In this Tariff, the terms listed in this section shall be defined as described below:

Active Demand Capacity Resource is one or more Demand Response Resources located within the same Dispatch Zone, that is registered with the ISO, assigned a unique resource identification number by the ISO, and participates in the Forward Capacity Market to fulfill a Market Participant’s Capacity Supply Obligation pursuant to Section III.13 of Market Rule 1.

Actual Capacity Provided is the measure of capacity provided during a Capacity Scarcity Condition, as described in Section III.13.7.2.2 of Market Rule 1.

Actual Load is the consumption at the Retail Delivery Point for the hour.

Additional Resource Blackstart O&M Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Additional Resource Specified-Term Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Additional Resource Standard Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Administrative Costs are those costs incurred in connection with the review of Applications for transmission service and the carrying out of System Impact Studies and Facilities Studies.

Administrative Export De-List Bid is a bid that may be submitted in a Forward Capacity Auction by certain Existing Generating Capacity Resources subject to a multi-year contract to sell capacity outside of the New England Control Area during the associated Capacity Commitment Period, as described in Section III.13.1.2.3.1.4 of Market Rule 1.

ADR Neutrals are one or more firms or individuals identified by the ISO with the advice and consent of the Participants Committee that are prepared to act as neutrals in ADR proceedings under Appendix D to Market Rule 1.

Advance is defined in Section IV.A.3.2 of the Tariff.

Affected Party, for purposes of the ISO New England Billing Policy, is defined in Section 6.3.5 of the ISO New England Billing Policy.

Affiliate is any person or entity that controls, is controlled by, or is under common control by another person or entity. For purposes of this definition, "control" means the possession, directly or indirectly, of the authority to direct the management or policies of an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

AGC is automatic generation control.

AGC SetPoint is the desired output signal for a Resource providing Regulation that is produced by the AGC system as frequently as every four seconds.

AGC SetPoint Deadband is a deadband expressed in megawatts that is applied to changing values of the AGC SetPoint for generating units.

Allocated Assessment is a Covered Entity's right to seek and obtain payment and recovery of its share in any shortfall payments under Section 3.3 or Section 3.4 of the ISO New England Billing Policy.

Alternative Dispute Resolution (ADR) is the procedure set forth in Appendix D to Market Rule 1.

Alternative Technology Regulation Resource (ATRR) is one or more facilities capable of providing Regulation that have been registered in accordance with the Asset Registration Process. An Alternative Technology Regulation Resource is eligible to participate in the Regulation Market.

Ancillary Services are those services that are necessary to support the transmission of electric capacity and energy from resources to loads while maintaining reliable operation of the New England Transmission System in accordance with Good Utility Practice.

Announced Schedule 1 EA Amount, Announced Schedule 2 EA Amount, Announced Schedule 3 EA Amount are defined in Section IV.B.2.2 of the Tariff.

Annual Transmission Revenue Requirements are the annual revenue requirements of a PTO's PTF or of all PTOs' PTF for purposes of the OATT shall be the amount determined in accordance with Attachment F to the OATT.

Annual Reconfiguration Transaction is a bilateral transaction that may be used in accordance with Section III.13.5.4 of Market Rule 1 to specify a price when a Capacity Supply Obligation is transferred using supply offers and demand bids in Annual Reconfiguration Auctions.

Applicants, for the purposes of the ISO New England Financial Assurance Policy, are entities applying for Market Participant status or for transmission service from the ISO.

Application is a written request by an Eligible Customer for transmission service pursuant to the provisions of the OATT.

Asset is a Generator Asset, a Demand Response Asset, a component of an On-Peak Demand Resource or Seasonal Peak Demand Resource, a Distributed Energy Resource participating as part of Demand Response Distributed Energy Resource Aggregation, a Settlement Only Distributed Energy Resource Aggregation, a Load Asset (including an Asset Related Demand), an Alternative Technology Regulation Resource, or a Tie-Line Asset.

Asset Registration Process is the ISO business process for registering an Asset.

Asset Related Demand is a Load Asset that has been discretely modeled within the ISO's dispatch and settlement systems, settles at a Node, has been registered in accordance with the Asset Registration Process, and is made up of either: (1) one or more individual end-use metered customers receiving service from the same point or points of electrical supply with an aggregate average hourly load of 1 MW or greater during the 12 months preceding its registration; (2) a Storage DARD with a consumption capability of at least 0.1 MW; or (3) one or more storage facilities that are not Electric Storage Facilities with an aggregate consumption capability of at least 1 MW.

Asset Related Demand Bid Block-Hours are Block-Hours assigned to the Lead Market Participant for each Asset Related Demand bid. Blocks of the bid in effect for each hour will be totaled to determine the daily quantity of Asset Related Demand Bid Block-Hours. In the case that a Resource has a Real-Time unit status of "unavailable" for an entire day, that day will not contribute to the quantity of Asset Related Demand Bid Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Asset Related Demand Bid Block-Hours.

Asset-Specific Going Forward Costs are the net costs of an asset that is part of an Existing Generating Capacity Resource, calculated for the asset in the same manner as the net costs of Existing Generating Capacity Resources as described in Section III.13.1.2.3.2.1.1.1 (for an asset with a Static De-List Bid or an Export Bid) or Section III.13.1.2.3.2.1.1.2 (for an asset with a Permanent De-List Bid or Retirement De-List Bid).

Assigned Meter Reader reports to the ISO the hourly and monthly MWh associated with the Asset. These MWh are used for settlement. The Assigned Meter Reader may designate an agent to help fulfill its Assigned Meter Reader responsibilities; however, the Assigned Meter Reader remains functionally responsible to the ISO.

Auction Revenue Right (ARR) is a right to receive FTR Auction Revenues in accordance with Appendix C of Market Rule 1.

Auction Revenue Right Allocation (ARR Allocation) is defined in Section 1 of Appendix C of Market Rule 1.

Auction Revenue Right Holder (ARR Holder) is an entity which is the record holder of an Auction Revenue Right (excluding an Incremental ARR) in the register maintained by the ISO.

Authorized Commission is defined in Section 3.3 of the ISO New England Information Policy.

Authorized Person is defined in Section 3.3 of the ISO New England Information Policy.

Automatic Response Rate is the response rate, in MW/Minute, at which a Market Participant is willing to have a Regulation Resource change its output or consumption while providing Regulation between the Regulation High Limit and Regulation Low Limit.

Available Energy is a value that reflects the MWhs of energy available from an Electric Storage Facility for economic dispatch.

Available Storage is a value that reflects the MWhs of unused storage available from an Electric Storage Facility for economic dispatch of consumption.

Average Hourly Load Reduction is either: (i) the sum of the On-Peak Demand Resource's electrical energy reduction during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Resource's electrical energy reduction during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. The On-Peak Demand Resource's or Seasonal Peak Demand Resource's electrical energy reduction and Average Hourly Load Reduction shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

Average Hourly Output is either: (i) the sum of the On-Peak Demand Resource's electrical energy output during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Resource's electrical energy output during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. Electrical energy output and Average Hourly Output shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

Backstop Transmission Solution is a solution proposed: (i) to address a reliability or market efficiency need identified by the ISO in a Needs Assessment reported by the ISO pursuant to Section 4.1(i) of Attachment K to the ISO OATT, (ii) by the PTO or PTOs with an obligation under Schedule 3.09(a) of the TOA to address the identified need; and (iii) in circumstances in which the competitive solution process specified in Section 4.3 of Attachment K to the ISO OATT will be utilized.

Bankruptcy Code is the United States Bankruptcy Code.

Bankruptcy Event occurs when a Covered Entity files a voluntary or involuntary petition in bankruptcy or commences a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against such Covered Entity as debtor.

Benchmark Scenario is an Economic Study reference scenario that is described in Section 17.2(a) of Attachment K to the OATT.

Bilateral Contract (BC) is any of the following types of contracts: Internal Bilateral for Load, Internal Bilateral for Market for Energy, and External Transactions.

Bilateral Contract Block-Hours are Block-Hours assigned to the seller and purchaser of an Internal Bilateral for Load, Internal Bilateral for Market for Energy and External Transactions; provided, however, that only those contracts which apply to the Real-Time Energy Market will accrue Block-Hours.

Binary Storage DARD is a DARD that participates in the New England Markets as part of a Binary Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Binary Storage Facility is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Blackstart Capability Test is the test, required by ISO New England Operating Documents, of a resource's capability to provide Blackstart Service.

Blackstart Capital Payment is the annual compensation, as calculated pursuant to Section 5.1, or as referred to in Section 5.2, of Schedule 16 to the OATT, for a Designated Blackstart Resource's Blackstart Equipment capital costs associated with the provision of Blackstart Service (excluding the capital costs

associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Blackstart Equipment is any equipment that is solely necessary to enable the Designated Blackstart Resource to provide Blackstart Service and is not required to provide other products or services under the Tariff.

Blackstart O&M Payment is the annual Blackstart O&M compensation calculated under either Section 5.1 or 5.2 of Schedule 16 of the OATT, as applicable.

Blackstart Owner is the Market Participant who is authorized on behalf of the Generator Owner(s) to offer or operate the resource as a Designated Blackstart Resource and is authorized to commit the resource to provide Blackstart Service.

Blackstart Service is the Ancillary Service described in Section II.47 of the Tariff and Schedule 16 of the OATT.

Blackstart Service Commitment is the commitment by a Blackstart Owner for its resource to provide Blackstart Service and the acceptance of that commitment by the ISO, in the manner detailed in ISO New England Operating Procedure No. 11 – Designated Blackstart Resource Administration (OP 11), and which includes a commitment to provide Blackstart Service established under Operating Procedure 11 – Designated Blackstart Resource Administration (OP11).

Blackstart Service Minimum Criteria are the minimum criteria that a Blackstart Owner and its resource must meet in order to establish and maintain a resource as a Designated Blackstart Resource.

Blackstart Standard Rate Payment is the formulaic rate of monthly compensation, as calculated pursuant to Section 5 of Schedule 16 to the OATT, paid to a Blackstart Owner for the provision of Blackstart Service from a Designated Blackstart Resource.

Blackstart Station is comprised of (i) a single Designated Blackstart Resource or (ii) two or more Designated Blackstart Resources that share Blackstart Equipment.

Blackstart Station-specific Rate Payment is the Commission-approved compensation, as calculated pursuant to Section 5.2 of Schedule 16 to the OATT, paid to a Blackstart Owner on a monthly basis for the provision of Blackstart Service by Designated Blackstart Resources located at a specific Blackstart Station.

Blackstart Station-specific Rate Capital Payment is a component of the Blackstart Station-specific Rate Payment that reflects a Blackstart Station's capital Blackstart Equipment costs associated with the provision of Blackstart Service (excluding the capital costs associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Block is defined as follows: (1) With respect to Bilateral Contracts, a Bilateral Contract administered by the ISO for an hour; (2) with respect to Supply Offers administered by the ISO, a quantity with a related price for Energy (Supply Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (3) with respect to Demand Bids administered by the ISO, a quantity with a related price for Energy (Demand Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (4) with respect to Increment Offers administered by the ISO, a quantity with a related price for Energy (Increment Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (5) with respect to Decrement Bids administered by the ISO, a quantity with a related price for Energy (Decrement Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (6) with respect to Asset Related Demand bids administered by the ISO, a quantity with a related price for Energy (Asset Related Demand bids may contain multiple sets of quantity and price pairs for each hour); and (7) with respect to Demand Reduction Offers administered by the ISO, a quantity of reduced demand with a related price (Demand Reduction Offers may contain multiple sets of quantity and price pairs for the day).

Block-Hours are the number of Blocks administered for a particular hour.

Budget and Finance Subcommittee is a subcommittee of the Participants Committee, the responsibilities of which are specified in Section 8.4 of the Participants Agreement.

Business Day is any day other than a Saturday or Sunday or ISO holidays as posted by the ISO on its website.

Cancelled Start NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Capability Demonstration Year is the one year period from September 1 through August 31.

Capacity Acquiring Resource is a resource that is seeking to acquire a Capacity Supply Obligation through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1, or; (2) an annual or monthly reconfiguration auction, as described in Section III.13.4.

Capacity Balancing Ratio is a ratio used in calculating the Capacity Performance Payment in the Forward Capacity Market, as described in Section III.13.7.2.3 of Market Rule 1.

Capacity Base Payment is the portion of revenue received in the Forward Capacity Market as described in Section III.13.7.1 of Market Rule 1.

Capacity Capability Interconnection Standard has the meaning specified in Schedule 22, Schedule 23, and Schedule 25 of the OATT.

Capacity Clearing Price is the clearing price for a Capacity Zone for a Capacity Commitment Period resulting from the Forward Capacity Auction conducted for that Capacity Commitment Period, as determined in accordance with Section III.13.2.7 of Market Rule 1.

Capacity Commitment Period is the one-year period from June 1 through May 31 for which obligations are assumed and payments are made in the Forward Capacity Market.

Capacity Cost (CC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Capacity Export Through Import Constrained Zone Transaction is defined in Section III.1.10.7(f)(i) of Market Rule 1.

Capacity Load Obligation is the quantity of capacity for which a Market Participant is financially responsible as described in Section III.13.7.5.2 of Market Rule 1.

Capacity Load Obligation Acquiring Participant is a load serving entity or any other Market Participant seeking to acquire a Capacity Load Obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 of Market Rule 1.

Capacity Network Import Capability (CNI Capability) is as defined in Section I of Schedule 25 of the OATT.

Capacity Network Import Interconnection Service (CNI Interconnection Service) is as defined in Section I of Schedule 25 of the OATT.

Capacity Load Obligation Bilateral is a bilateral contract through which a Market Participant may transfer all or a portion of its Capacity Load Obligation to another entity, as described in Section III.13.5 of Market Rule 1.

Capacity Load Obligation Transferring Participant is an entity that has a Capacity Load Obligation and is seeking to shed such obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 of Market Rule 1.

Capacity Network Resource (CNR) is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Capacity Network Resource Interconnection Service (CNR Interconnection Service) is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Capacity Performance Bilateral is a transaction for transferring Capacity Performance Score, as described in Section III.13.5.3 of Market Rule 1.

Capacity Performance Payment is the performance-dependent portion of revenue received in the Forward Capacity Market, as described in Section III.13.7.2 of Market Rule 1.

Capacity Performance Payment Rate is a rate used in calculating Capacity Performance Payments, as described in Section III.13.7.2.5 of Market Rule 1.

Capacity Performance Score is a figure used in determining Capacity Performance Payments, as described in Section III.13.7.2.4 of Market Rule 1.

Capacity Rationing Rule addresses whether offers and bids in a Forward Capacity Auction may be rationed, as described in Section III.13.2.6 of Market Rule 1.

Capacity Scarcity Condition is a period during which performance is measured in the Forward Capacity Market, as described in Section III.13.7.2.1 of Market Rule 1.

Capacity Supply Obligation is an obligation to provide capacity from a resource, or a portion thereof, to satisfy a portion of the Installed Capacity Requirement that is acquired through a Forward Capacity Auction in accordance with Section III.13.2, a reconfiguration auction in accordance with Section III.13.4, or a Capacity Supply Obligation Bilateral in accordance with Section III.13.5.1 of Market Rule 1.

Capacity Supply Obligation Bilateral is a bilateral contract through which a Market Participant may transfer all or a part of its Capacity Supply Obligation to another entity, as described in Section III.13.5.1 of Market Rule 1.

Capacity Transfer Rights (CTRs) are calculated in accordance with Section III.13.7.5.4.

Capacity Transferring Resource is a resource that has a Capacity Supply Obligation and is seeking to shed such obligation, or a portion thereof, through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1, or; (2) an annual or monthly reconfiguration auction, as described in Section III.13.4.

Capacity Zone is a geographic sub-region of the New England Control Area as determined in accordance with Section III.12.4 of Market Rule 1.

Capacity Zone Demand Curves are the demand curves used in the Forward Capacity Market for a Capacity Zone as specified in Sections III.13.2.2.2 and III.13.2.2.3.

Capital Funding Charge (CFC) is defined in Section IV.B.2 of the Tariff.

CARL Data is Control Area reliability data submitted to the ISO to permit an assessment of the ability of an external Control Area to provide energy to the New England Control Area in support of capacity offered to the New England Control Area by that external Control Area.

Category B Designated Blackstart Resource has the same meaning as Designated Blackstart Resource.

Charge is a sum of money due from a Covered Entity to the ISO, either in its individual capacity or as billing and collection agent for NEPOOL pursuant to the Participants Agreement.

CLAIM10 is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

CLAIM30 is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

Claimed Capability Audit is performed to determine the real power output capability of a Generator Asset, the demand reduction capability of a Demand Response Resource, or the demand reduction capability and energy injection capability of a Demand Response Distributed Energy Resource Aggregation.

Cluster [has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.](#)

Cluster Enabling Transmission Upgrade (CETU) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Enabling Transmission Upgrade Regional Planning Study (CRPS) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Entry Deadline has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Interconnection System Impact Study (CSIS) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Request Window [has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.](#)

Cluster Restudy [has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.](#)

Cluster Study has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

~~Clustering~~ has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

CNR Capability is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Coincident Peak Contribution is a Market Participant's share of the New England Control Area coincident peak demand for the prior calendar year as determined prior to the start of each Capacity Commitment Period, which reflects the sum of the prior year's annual coincident peak contributions of the customers served by the Market Participant at each Load Asset. Daily Coincident Peak Contribution values shall be submitted by the Assigned Meter Reader or Host Participant by the meter reading deadline to the ISO.

Commercial Capacity is capacity that has achieved FCM Commercial Operation.

Commission is the Federal Energy Regulatory Commission.

Commitment Period is (i) for a Day-Ahead Energy Market commitment, a period of one or more contiguous hours for which a Resource is cleared in the Day-Ahead Energy Market, and (ii) for a Real-Time Energy Market commitment, the period of time for which the ISO indicates the Resource is being committed when it issues the Dispatch Instruction. If the ISO does not indicate the period of time for which the Resource is being committed in the Real-Time Energy Market, then the Commitment Period is the Minimum Run Time for an offline Resource and one hour for an online Resource.

Common Costs are those costs associated with a Station that are avoided only by the clearing of the Static De-List Bids, the Permanent De-List Bids, or the Retirement De-List Bids of all the Existing Generating Capacity Resources comprising the Station.

Completed Application is an Application that satisfies all of the information and other requirements of the OATT, including any required deposit.

Compliance Effective Date is the date upon which the changes in the predecessor NEPOOL Open Access Transmission Tariff which have been reflected herein to comply with the Commission's Order of April 20, 1998 became effective.

Composite FCM Transaction is a transaction for separate resources seeking to participate as a single composite resource in a Forward Capacity Auction in which multiple Designated FCM Participants provide capacity, as described in Section III.13.1.5 of Market Rule 1.

~~**Conditional Qualified New Resource** is defined in Section III.13.1.1.2.3(f) of Market Rule 1.~~

Confidential Information is defined in Section 2.1 of the ISO New England Information Policy, which is Attachment D to the Tariff.

Confidentiality Agreement is Attachment 1 to the ISO New England Billing Policy.

Congestion is a condition of the New England Transmission System in which transmission limitations prevent unconstrained regional economic dispatch of the power system. Congestion is the condition that results in the Congestion Component of the Locational Marginal Price at one Location being different from the Congestion Component of the Locational Marginal Price at another Location during any given hour of the dispatch day in the Day-Ahead Energy Market or Real-Time Energy Market.

Congestion Component is the component of the nodal price that reflects the marginal cost of congestion at a given Node or External Node relative to the reference point. When used in connection with Zonal Price and Hub Price, the term Congestion Component refers to the Congestion Components of the nodal prices that comprise the Zonal Price and Hub Price weighted and averaged in the same way that nodal prices are weighted to determine Zonal Price and averaged to determine the Hub Price.

Congestion Cost is the cost of congestion as measured by the difference between the Congestion Components of the Locational Marginal Prices at different Locations and/or Reliability Regions on the New England Transmission System.

Congestion Paying LSE is, for the purpose of the allocation of FTR Auction Revenues to ARR Holders as provided for in Appendix C of Market Rule 1, a Market Participant or Non-Market Participant Transmission Customer that is responsible for paying for Congestion Costs as a Transmission Customer

paying for Regional Network Service under the Transmission, Markets and Services Tariff, unless such Transmission Customer has transferred its obligation to supply load in accordance with ISO New England System Rules, in which case the Congestion Paying LSE shall be the Market Participant supplying the transferred load obligation. The term Congestion Paying LSE shall be deemed to include, but not be limited to, the seller of internal bilateral transactions that transfer Real-Time Load Obligations under the ISO New England System Rules.

Congestion Revenue Fund is the amount available for payment of target allocations to FTR Holders from the collection of Congestion Cost.

Congestion Shortfall means congestion payments exceed congestion charges during the billing process in any billing period.

Continuous Storage ATRR is an ATRR that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage DARD is a DARD that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage Generator Asset is a Generator Asset that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage Facility is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Control Agreement is the document posted on the ISO website that is required if a Market Participant's cash collateral is to be invested in BlackRock funds.

Control Area is an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

(1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice and the criteria of the applicable regional reliability council or the North American Electric Reliability Corporation; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Controllable Behind-the-Meter Generation means generation whose output can be controlled located at the same facility as a DARD or a Demand Response Asset, excluding: (1) generators whose output is separately metered and reported and (2) generators that cannot operate electrically synchronized to, and that are operated only when the facility loses its supply of power from, the New England Transmission System, or when undergoing related testing.

Coordinated External Transaction is an External Transaction at an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented. A transaction to wheel energy into, out of or through the New England Control Area is not a Coordinated External Transaction.

Coordinated Transaction Scheduling means the enhanced scheduling procedures set forth in Section III.1.10.7.A.

Correction Limit means the date that is one hundred and one (101) calendar days from the last Operating Day of the month to which the data applied. As described in Section III.3.6.1 of Market Rule 1, this will be the period during which meter data corrections must be submitted unless they qualify for submission as a Requested Billing Adjustment under Section III.3.7 of Market Rule 1.

Cost of Energy Consumed (CEC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Cost of Energy Produced (CEP) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Cost of New Entry (CONE) is the estimated cost of new entry (\$/kW-month) for a capacity resource that is determined by the ISO for each Forward Capacity Auction pursuant to Section III.13.2.4.

Counterparty means the status in which the ISO acts as the contracting party, in its name and own right and not as an agent, to an agreement or transaction with a Customer (including assignments involving Customers) involving sale to the ISO, and/or purchase from the ISO, of Regional Transmission Service and market and other products and services, and other transactions and assignments involving Customers, all as described in the Tariff.

Covered Entity is defined in the ISO New England Billing Policy.

Credit Coverage is third-party credit protection obtained by the ISO in the form of credit insurance coverage.

Credit Qualifying means a Rated Market Participant that has an Investment Grade Rating and an Unrated Market Participant that satisfies the Credit Threshold.

Credit Threshold consists of the conditions for Unrated Market Participants outlined in Section II.B.2 of the ISO New England Financial Assurance Policy.

Critical Energy Infrastructure Information (CEII) is defined in Section 3.0(j) of the ISO New England Information Policy, which is Attachment D to the Tariff.

Current Ratio is, on any date, all of a Market Participant's or Non-Market Participant Transmission Customer's current assets divided by all of its current liabilities, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Curtailement is a reduction in the dispatch of a transaction that was scheduled, using transmission service, in response to a transfer capability shortage as a result of system reliability conditions.

Customer is a Market Participant, a Transmission Customer or another customer of the ISO.

Cyber Security Exigency is a suspicious or malicious electronic act or event that compromises or attempts to compromise, or disrupts or attempts to disrupt, the ongoing operation of the ISO, the New England Markets, or reliability within the New England Control Area or other electrical facilities directly

or indirectly connected to the New England Transmission System and (i) whose severity or nature reasonably requires that the ISO obtain expert assistance not normally called upon to counter such an electronic act or resolve such an event or (ii) whose nature requires the ISO to report such an electronic act or event pursuant to NERC Critical Infrastructure Protection Reliability Standards or applicable regulations promulgated by the Department of Homeland Security, the Department of Energy, or a federal agency with similar cybersecurity responsibilities (or any of their respective successor organizations or agencies).

Storage as Transmission-Only Asset (SATO) is electric storage equipment that: (1) is connected to or to be connected to Pool Transmission Facilities in the New England Transmission System at a voltage level of 115 kV or higher; (2) the ISO approved to be included in the Regional System Plan and RSP Project List as a regulated transmission solution and Pool Transmission Facility pursuant to the regional system planning processes in Attachment K of the OATT; and (3) is capable of receiving energy only from the Pool Transmission Facilities and storing the energy for later injection to the Pool Transmission Facilities.

Data Reconciliation Process means the process by which meter reconciliation and data corrections that are discovered by Governance Participants after the Invoice has been issued for a particular month or that are discovered prior to the issuance of the Invoice for the relevant month but not included in that Invoice or in the other Invoices for that month and are reconciled by the ISO on an hourly basis based on data submitted to the ISO by the Host Participant Assigned Meter Reader or Assigned Meter Reader.

Day-Ahead is the calendar day immediately preceding the Operating Day.

Day-Ahead Adjusted Load Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Congestion Revenue is defined in Section III.3.2.1(i) of Market Rule 1.

Day-Ahead Demand Reduction Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Energy Market means the schedule of commitments for the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, payment for losses developed by the ISO as a result of the offers and specifications submitted in accordance with Section III.1.10 of Market Rule 1.

Day-Ahead Energy Market Congestion Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market Energy Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market Loss Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead External Transaction Export and Decrement Bid NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead External Transaction Import and Increment Offer NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead Generation Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Load Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Locational Adjusted Net Interchange is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Loss Charges or Credits is defined in Section III.3.2.1(k) of Market Rule 1.

Day-Ahead Loss Revenue is defined in Section III.3.2.1(j) of Market Rule 1.

Day-Ahead Prices means the Locational Marginal Prices resulting from the Day-Ahead Energy Market.

DDP Dispatchable Resource is any Dispatchable Resource that the ISO dispatches using Desired Dispatch Points in the Resource's Dispatch Instructions.

Debt-to-Total Capitalization Ratio is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's total debt (including all current borrowings) divided by its total shareholders'

equity plus total debt, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Decrement Bid means a bid to purchase energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical load. An accepted Decrement Bid results in scheduled load at the specified Location in the Day-Ahead Energy Market.

Default Amount is all or any part of any amount due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due (other than in the case of a payment dispute for any amount due for transmission service under the OATT).

Default Period is defined in Section 3.3.h(i) of the ISO New England Billing Policy.

Delivering Party is the entity supplying capacity and/or energy to be transmitted at Point(s) of Receipt under the OATT.

Demand Bid means a request to purchase an amount of energy, at a specified Location, or an amount of energy at a specified price, that is associated with a physical load. A cleared Demand Bid in the Day-Ahead Energy Market results in scheduled load at the specified Location. Demand Bids submitted for use in the Real-Time Energy Market are specific to Dispatchable Asset Related Demands only.

Demand Bid Block-Hours are the Block-Hours assigned to the submitting Customer for each Demand Bid.

Demand Bid Cap is \$2,000/MWh.

Demand Capacity Resource means an Existing Demand Capacity Resource or a New Demand Capacity Resource. There are three Demand Capacity Resource types: Active Demand Capacity Resources, On-Peak Demand Resources, and Seasonal Peak Demand Resources.

Demand Designated Entity is the entity designated by a Market Participant to receive Dispatch Instructions for Demand Response Resources in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

Demand Reduction Offer is an offer by a Market Participant with a Demand Response Resource to reduce demand.

Demand Reduction Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Demand Reduction Offer. Blocks of the Demand Reduction Offer in effect for each hour will be totaled to determine the quantity of Demand Reduction Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of “unavailable” for the entire day, that day will not contribute to the quantity of Demand Reduction Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of “available,” the entire day will contribute to the quantity of Demand Reduction Offer Block-Hours.

Demand Reduction Threshold Price is a minimum offer price calculated pursuant to Section III.1.10.1A(f).

Demand Resource On-Peak Hours are hours ending 1400 through 1700, Monday through Friday on non-Demand Response Holidays during the months of June, July, and August and hours ending 1800 through 1900, Monday through Friday on non-Demand Response Holidays during the months of December and January.

Demand Resource Seasonal Peak Hours are those hours in which the actual, real-time hourly load, as measured using real-time telemetry (adjusted for transmission and distribution losses, and excluding load associated with Exports and Storage DARDs) for Monday through Friday on non-Demand Response Holidays, during the months of June, July, August, December, and January, as determined by the ISO, is equal to or greater than 90% of the most recent 50/50 system peak load forecast, as determined by the ISO, for the applicable summer or winter season.

Demand Response Asset is an asset comprising the demand reduction capability of an individual end-use customer at a Retail Delivery Point or the aggregated demand reduction capability of multiple end-use customers from multiple delivery points (as described in Section III.8.1.1(f)) that has been registered in accordance with III.8.1.1.

Demand Response Available is the capability of the Demand Response Resource, in whole or in part, at any given time, to reduce demand in response to a Dispatch Instruction.

Demand Response Baseline is the expected baseline demand of an individual end-use metered customer or group of end-use metered customers as determined pursuant to Section III.8.2.

Demand Response Holiday is New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a Saturday, the holiday will be observed on the preceding Friday; if the holiday falls on a Sunday, the holiday will be observed on the following Monday.

Demand Response Distributed Energy Resource Aggregation (DRDERA) is a type of Distributed Energy Resource Aggregation that is described in additional detail in Section III.6.5.

Demand Response Resource is an individual Demand Response Asset or aggregation of Demand Response Assets within a DRR Aggregation Zone that has been registered in accordance with Section III.8.1.2.

Demand Response Resource Notification Time is the period of time between the receipt of a startup Dispatch Instruction and the time the Demand Response Resource starts reducing demand.

Demand Response Resource Ramp Rate is the average rate, expressed in MW per minute, at which the Demand Response Resource can reduce demand.

Demand Response Resource Start-Up Time is the period of time between the time a Demand Response Resource starts reducing demand at the conclusion of the Demand Response Resource Notification Time and the time the resource can reach its Minimum Reduction and be ready for further dispatch by the ISO.

Designated Agent is any entity that performs actions or functions required under the OATT on behalf of the ISO, a Transmission Owner, a Schedule 20A Service Provider, an Eligible Customer, or a Transmission Customer.

Designated Blackstart Resource is a resource that meets the eligibility requirements specified in Schedule 16 of the OATT, which includes any resource referred to previously as a Category B Designated Blackstart Resource.

Designated Entity is the entity designated by a Market Participant to receive Dispatch Instructions for a Generator Asset and/or Dispatchable Asset Related Demand in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

Designated FCM Participant is any Lead Market Participant, including any Provisional Member that is a Lead Market Participant, transacting in any Forward Capacity Auction, reconfiguration auctions or Capacity Supply Obligation Bilateral for capacity that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

Designated FTR Participant is a Market Participant, including FTR-Only Customers, transacting in the FTR Auction that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

Desired Dispatch Point (DDP) means the control signal, expressed in megawatts, transmitted to direct the output, consumption, or demand reduction level of each Generator Asset, Dispatchable Asset Related Demand, or Demand Response Resource dispatched by the ISO in accordance with the asset's Offer Data.

Direct Assignment Facilities are facilities or portions of facilities that are constructed for the sole use/benefit of a particular Transmission Customer requesting service under the OATT or a Generator Owner requesting an interconnection. Direct Assignment Facilities shall be specified in a separate agreement among the ISO, Interconnection Customer and Transmission Customer, as applicable, and the Transmission Owner whose transmission system is to be modified to include and/or interconnect with the Direct Assignment Facilities, shall be subject to applicable Commission requirements, and shall be paid for by the Customer in accordance with the applicable agreement and the Tariff.

Directly Metered Assets are specifically measured by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP-18. Directly Metered Assets include all Tie-Line Assets, all Generator Assets, as well as some Load Assets. Load Assets for which the Host Participant is not the Assigned Meter Reader are considered Directly Metered Assets. In addition, the Host Participant Assigned Meter Reader determines which additional Load Assets are considered Directly Metered Assets and which ones are considered Profiled Load Assets based upon the Host Participant Assigned Meter Reader reporting systems and process by which the Host Participant Assigned Meter Reader allocates non-PTF losses.

Disbursement Agreement is the Rate Design and Funds Disbursement Agreement among the PTOs, as amended and restated from time to time.

Dispatch Instruction means directions given by the ISO to Market Participants, which may include instructions to start up, shut down, raise or lower generation, curtail or restore loads from Demand Response Resources, change External Transactions, or change the status or consumption of a Dispatchable Asset Related Demand in accordance with the Supply Offer, Demand Bid, or Demand Reduction Offer parameters. Such instructions may also require a change to the operation of a Pool Transmission Facility. Such instructions are given through either electronic or verbal means.

Dispatch Zone means a subset of Nodes located within a Load Zone established by the ISO for each Capacity Commitment Period pursuant to Section III.12.4A.

Dispatchable Asset Related Demand (DARD) is an Asset Related Demand that is capable of having its energy consumption modified in Real-Time in response to Dispatch Instructions. A DARD must be capable of receiving and responding to electronic Dispatch Instructions, must be able to increase or decrease energy consumption between its Minimum Consumption Limit and Maximum Consumption Limit in accordance with Dispatch Instructions, and must meet the technical requirements specified in the ISO New England Operating Procedures and Manuals.

Dispatchable Resource is any Generator Asset, Dispatchable Asset Related Demand, Demand Response Resource, or, with respect to the Regulation Market only, Alternative Technology Regulation Resource, that, during the course of normal operation, is capable of receiving and responding to electronic Dispatch Instructions in accordance with the parameters contained in the Resource's Supply Offer, Demand Bid, Demand Reduction Offer or Regulation Service Offer. A Resource that is normally classified as a Dispatchable Resource remains a Dispatchable Resource when it is temporarily not capable of receiving and responding to electronic Dispatch Instructions.

Dispute Representatives are defined in 6.5.c of the ISO New England Billing Policy.

Disputed Amount is a Covered Entity's disputed amount due on any fully paid monthly Invoice and/or any amount believed to be due or owed on a Remittance Advice, as defined in Section 6 of the ISO New England Billing Policy.

Disputing Party, for the purposes of the ISO New England Billing Policy, is any Covered Entity seeking to recover a Disputed Amount.

Distributed Energy Capacity Resource (DECR) means an Existing Distributed Energy Capacity Resource or a New Distributed Energy Capacity Resource.

Distributed Energy Resource (DER) is any resource located on the distribution system, any subsystem thereof or behind a customer meter that is capable of providing energy injection, energy withdrawal, regulation, or demand reduction.

Distributed Energy Resource Aggregation (DERA) is an aggregation of Distributed Energy Resources that is registered under Section III.6.7 and is described in additional detail in Section III.6.

Distributed Energy Resource Aggregator (DER Aggregator) is a Market Participant that aggregates one or more Distributed Energy Resources for participation in a Distributed Energy Resource Aggregation and serves as the Lead Market Participant for a Distributed Energy Resource Aggregation.

Distributed Generation means generation directly connected to end-use customer load and located behind the end-use customer's Retail Delivery Point that reduces the amount of energy that would otherwise have been produced on the electricity network in the New England Control Area, provided that the facility's Net Supply Capability is (i) less than 5 MW or (ii) less than or equal to the Maximum Facility Load, whichever is greater.

DRR Aggregation Zone is a Dispatch Zone entirely within a single Reserve Zone or Rest of System or, where a Dispatch Zone is not entirely within a single Reserve Zone or Rest of System, each portion of the Dispatch Zone demarcated by the Reserve Zone boundary.

Do Not Exceed (DNE) Dispatchable Generator is any Generator Asset that is dispatched using Do Not Exceed Dispatch Points in its Dispatch Instructions and meets the criteria specified in Section III.1.11.3(e). Do Not Exceed Dispatchable Generators are Dispatchable Resources.

Do Not Exceed Dispatch Point is a Dispatch Instruction indicating a maximum output level that a DNE Dispatchable Generator must not exceed.

Dynamic De-List Bid is a bid that may be submitted by Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources, and Existing Distributed Energy Capacity Resources in the Forward Capacity Auction below the Dynamic De-List Bid Threshold, as described in Section III.13.2.3.2(d) of Market Rule 1.

Dynamic De-List Bid Threshold is the price specified in Section III.13.1.2.3.1.A of Market Rule 1 associated with the submission of Dynamic De-List Bids in the Forward Capacity Auction.

EA Amount is defined in Section IV.B.2.2 of the Tariff.

Early Amortization Charge (EAC) is defined in Section IV.B.2 of the Tariff.

Early Amortization Working Capital Charge (EAWCC) is defined in Section IV.B.2 of the Tariff.

Early Payment Shortfall Funding Amount (EPSF Amount) is defined in Section IV.B.2.4 of the Tariff.

Early Payment Shortfall Funding Charge (EPSFC) is defined in Section IV.B.2 of the Tariff.

EAWW Amount is defined in Section IV.B.2.3 of the Tariff.

EBITDA-to-Interest Expense Ratio is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's earnings before interest, taxes, depreciation and amortization in the most recent fiscal quarter divided by that Market Participant's or Non-Market Participant Transmission Customer's expense for interest in that fiscal quarter, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Economic Dispatch Point is the output, reduction, or consumption level to which a Resource would have been dispatched, based on the Resource's Supply Offer, Demand Reduction Offer, or Demand Bid and the Real-Time Price, and taking account of any operating limits, had the ISO not dispatched the Resource to another Desired Dispatch Point.

Economic Maximum Limit or Economic Max is the maximum available output, in MW, of a Generator Asset that a Market Participant offers to supply in the Day-Ahead Energy Market or Real-Time Energy

Market, as reflected in the Generator Asset's Offer Data. This represents the highest MW output a Market Participant has offered for a Generator Asset for economic dispatch. A Market Participant must maintain an up-to-date Economic Maximum Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Economic Maximum Limit) for all hours in which a Generator Asset has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

Economic Minimum Limit or Economic Min is (a) for a Generator Asset with an incremental heat rate, the maximum of: (i) the lowest sustainable output level as specified by physical design characteristics, environmental regulations or licensing limits; and (ii) the lowest sustainable output level at which a one MW increment increase in the output level would not decrease the incremental cost, calculated based on the incremental heat rate, of providing an additional MW of output, and (b) for a Generator Asset without an incremental heat rate, the lowest sustainable output level that is consistent with the physical design characteristics of the Generator Asset and with meeting all environmental regulations and licensing limits, and (c) for a Generator Asset undergoing Facility and Equipment Testing or auditing, the level to which the Generator Asset requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing, and (d) for Non-Dispatchable Resources the output level at which a Market Participant anticipates its Non-Dispatchable Resource will be available to operate based on fuel limitations, physical design characteristics, environmental regulations or licensing limits.

Economic Study or Economic Studies are studies described in Section 17 of Attachment K to the OATT that are used to examine situations where potential regulated transmission solutions, market responses, or investments could result in (i) a net reduction in total production cost to supply system load based on the factors specified in Attachment N of the OATT, (ii) reduced congestion, or (iii) the integration of new resources or loads, or both, on an aggregate or regional basis.

Effective Offer is the Supply Offer, Demand Reduction Offer, or Demand Bid that is used for NCPC calculation purposes as specified in Section III.F.1(a).

EFT is electronic funds transfer.

Elective Transmission Upgrade is defined in Section I of Schedule 25 of the OATT.

Elective Transmission Upgrade Interconnection Customer is defined in Schedule 25 of the OATT.

Electric Reliability Organization (ERO) is defined in 18 C.F.R. § 39.1.

Electric Storage Facility is a storage facility that participates in the New England Markets as described in Section III.1.10.6 of Market Rule 1.

Eligible Customer is: (i) Any entity that is engaged, or proposes to engage, in the wholesale or retail electric power business is an Eligible Customer under the OATT. (ii) Any electric utility (including any power marketer), Federal power marketing agency, or any other entity generating electric energy for sale or for resale is an Eligible Customer under the OATT. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the unbundled transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer). (iii) Any end user taking or eligible to take unbundled transmission service or Local Delivery Service pursuant to a state requirement that the Transmission Owner with which that end user is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that end user is directly interconnected, or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) is an Eligible Customer under the OATT.

Eligible FTR Bidder is an entity that has satisfied applicable financial assurance criteria, and shall not include the auctioneer, its Affiliates, and their officers, directors, employees, consultants and other representatives.

Emergency is an abnormal system condition on the bulk power systems of New England or neighboring Control Areas requiring manual or automatic action to maintain system frequency, or to prevent the involuntary loss of load, equipment damage, or tripping of system elements that could adversely affect the

reliability of an electric system or the safety of persons or property; or a fuel shortage requiring departure from normal operating procedures in order to minimize the use of such scarce fuel; or a condition that requires implementation of Emergency procedures as defined in the ISO New England Manuals.

Emergency Condition means an Emergency has been declared by the ISO in accordance with the procedures set forth in the ISO New England Manuals and ISO New England Administrative Procedures.

Emergency Energy is energy transferred from one control area operator to another in an Emergency.

Emergency Minimum Limit or Emergency Min means the minimum output, in MWs, that a Generator Asset can deliver for a limited period of time without exceeding specified limits of equipment stability and operating permits.

EMS is energy management system.

End-of-Round Price is the lowest price associated with a round of a Forward Capacity Auction, as described in Section III.13.2.3.1 of Market Rule 1.

End User Participant is defined in Section 1 of the Participants Agreement.

Energy is power produced in the form of electricity, measured in kilowatthours or megawatthours.

Energy Administration Service (EAS) is the service provided by the ISO, as described in Schedule 2 of Section IV.A of the Tariff.

Energy Component means the Locational Marginal Price at the reference point.

Energy Efficiency is installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy needed, while delivering a comparable or improved level of end-use service. Such measures include, but are not limited to, the installation of more energy efficient lighting, motors, refrigeration, HVAC equipment and control systems, envelope measures, operations and maintenance procedures, and industrial process equipment.

Energy Imbalance Service is the form of Ancillary Service described in Schedule 4 of the OATT.

Energy Market is, collectively, the Day-Ahead Energy Market and the Real-Time Energy Market.

Energy Non-Zero Spot Market Settlement Hours are the sum of the hours for which the Customer has a positive or negative Real-Time System Adjusted Net Interchange or for which the Customer has a positive or negative Real-Time Demand Reduction Obligation as determined by the ISO settlement process for the Energy Market.

Energy Offer Floor is negative \$150/MWh.

Energy Transaction Units (Energy TUs) are the sum for the month for a Customer of Bilateral Contract Block-Hours, Demand Bid Block-Hours, Asset Related Demand Bid Block-Hours, Supply Offer Block-Hours, Demand Reduction Offer Block-Hours, and Energy Non-Zero Spot Market Settlement Hours.

Equipment Damage Reimbursement is the compensation paid to the owner of a Designated Blackstart Resource as specified in Section 5.5 of Schedule 16 to the OATT.

Equivalent Demand Forced Outage Rate (EFORD) means the portion of time a unit is in demand, but is unavailable due to forced outages.

Estimated Capacity Load Obligation is, for the purposes of the ISO New England Financial Assurance Policy, a Market Participant's share of Zonal Capacity Obligation from the latest available month, adjusted as appropriate to account for any relevant Capacity Load Obligation Bilaterals, HQICCs, and Self-Supplied FCA Resource designations for the applicable month.

Establish Claimed Capability Audit is the audit performed pursuant to Section III.1.5.1.2.

Excepted Transaction is a transaction specified in Section II.40 of the Tariff for the applicable period specified in that Section.

Existing Capacity Qualification Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

Existing Capacity Qualification Package is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

Existing Capacity Resource is any resource that does not meet any of the eligibility criteria to participate in the Forward Capacity Auction as a New Capacity Resource.

Existing Capacity Retirement Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

Existing Capacity Retirement Package is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

Existing Demand Capacity Resource is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.2 of Market Rule 1.

Existing Distributed Energy Capacity Resource is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.2 of Market Rule 1.

Existing Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.2.1 of Market Rule 1.

Existing Import Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.1 of Market Rule 1.

Expedited Study Request is defined in Section II.34.7 of the OATT.

Export-Adjusted LSR is as defined in Section III.12.4(b)(ii).

Export Bid is a bid that may be submitted by certain resources in the Forward Capacity Auction to export capacity to an external Control Area, as described in Section III.13.1.2.3.1.3 of Market Rule 1.

Exports are Real-Time External Transactions, which are limited to sales from the New England Control Area, for exporting energy out of the New England Control Area.

External Elective Transmission Upgrade (External ETU) is defined in Section I of Schedule 25 of the OATT.

External Market Monitor means the person or entity appointed by the ISO Board of Directors pursuant to Section III.A.1.2 of Appendix A of Market Rule 1 to carry out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

External Node is a proxy bus or buses used for establishing a Locational Marginal Price for energy received by Market Participants from, or delivered by Market Participants to, a neighboring Control Area or for establishing Locational Marginal Prices associated with energy delivered through the New England Control Area by Non-Market Participants for use in calculating Non-Market Participant Congestion Costs and loss costs.

External Resource means a generation resource located outside the metered boundaries of the New England Control Area.

External Transaction is the import of external energy into the New England Control Area by a Market Participant or the export of internal energy out of the New England Control Area by a Market Participant in the Day-Ahead Energy Market and/or Real-Time Energy Market, or the wheeling of external energy through the New England Control Area by a Market Participant or a Non-Market Participant in the Real-Time Energy Market.

External Transaction Cap is \$2,000/MWh for External Transactions other than Coordinated External Transactions and \$1,000/MWh for Coordinated External Transactions.

External Transaction Floor is the Energy Offer Floor for External Transactions other than Coordinated External Transactions and negative \$1,000/MWh for Coordinated External Transactions.

External Transmission Project is a transmission project comprising facilities located wholly outside the New England Control Area and regarding which an agreement has been reached whereby New England ratepayers will support all or a portion of the cost of the facilities.

Facilities Study is an engineering study conducted pursuant to the OATT by the ISO (or, in the case of Local Service or interconnections to Local Area Facilities as defined in the TOA, by one or more affected PTOs) or some other entity designated by the ISO in consultation with any affected Transmission Owner(s), to determine the required modifications to the PTF and Non-PTF, including the cost and scheduled completion date for such modifications, that will be required to provide a requested transmission service or interconnection on the PTF and Non-PTF.

Facility and Equipment Testing means operation of a Resource to evaluate the functionality of the facility or equipment utilized in the operation of the facility.

Failure to Maintain Blackstart Capability is a failure of a Blackstart Owner or Designated Blackstart Resource to meet the Blackstart Service Minimum Criteria or Blackstart Service obligations, but does not include a Failure to Perform During a System Restoration event.

Failure to Perform During a System Restoration is a failure of a Blackstart Owner or Designated Blackstart Resource to follow ISO or Local Control Center dispatch instructions or perform in accordance with the dispatch instructions or the Blackstart Service Minimum Criteria and Blackstart Service obligations, described within the ISO New England Operating Documents, during a restoration of the New England Transmission System.

Fast Start Demand Response Resource is a Demand Response Resource that meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; (ii) Minimum Time Between Reductions does not exceed one hour; (iii) Demand Response Resource Start-Up Time plus Demand Response Resource Notification Time does not exceed 30 minutes; (iv) has personnel available to respond to Dispatch Instructions or has automatic remote response capability; and (v) is capable of receiving and acknowledging a Dispatch Instruction electronically.

Fast Start Generator means a Generator Asset that the ISO can dispatch to an on-line or off-line state through electronic dispatch and that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes; (iv) available for dispatch (when it is either in an on-line or off-line state) and manned or has automatic remote dispatch capability; and (v) capable of receiving and acknowledging a start-up or shut-down Dispatch Instruction electronically.

FCA Cleared Export Transaction is defined in Section III.1.10.7(f)(ii) of Market Rule 1.

FCA Qualified Capacity is the Qualified Capacity that is used in a Forward Capacity Auction.

FCM Capacity Charge Requirements are calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

FCM Charge Rate is calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

FCM Commercial Operation is defined in Section III.13.3.8 of Market Rule 1.

FCM Deposit is calculated in accordance with Section VII.B.1 of the ISO New England Financial Assurance Policy.

FCM Financial Assurance Requirements are described in Section VII of the ISO New England Financial Assurance Policy.

Final Forward Reserve Obligation is calculated in accordance with Section III.9.8(a) of Market Rule 1.

Financial Assurance Default results from a Market Participant or Non-Market Participant Transmission Customer's failure to comply with the ISO New England Financial Assurance Policy.

Financial Assurance Obligations relative to the ISO New England Financial Assurance Policy are determined in accordance with Section III.A(v) of the ISO New England Financial Assurance Policy.

Financial Transmission Right (FTR) is a financial instrument that evidences the rights and obligations specified in Sections III.5.2.2 and III.7 of the Tariff.

Firm Point-To-Point Service is service which is arranged for and administered between specified Points of Receipt and Delivery in accordance with Part II.C of the OATT.

Firm Transmission Service is Regional Network Service, Through or Out Service, service for Excepted Transactions, firm MTF Service, firm OTF Service, and firm Local Service.

Flexible DNE Dispatchable Generator is any DNE Dispatchable Generator that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; and (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes.

Force Majeure - An event of Force Majeure means any act of God, labor disturbance, act of the public enemy or terrorists, war, invasion, insurrection, riot, fire, storm or flood, ice, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond the control of the ISO, a Transmission Owner, a Schedule 20A Service Provider, or a Customer, including without limitation, in the case of the ISO, any action or inaction by a Customer, a Schedule 20A Service Provider, or a Transmission Owner, in the case of a Transmission Owner, any action or inaction by the ISO, any Customer, a Schedule 20A Service Provider, or any other Transmission Owner, in the case of a Schedule 20A Service Provider, any action or inaction by the ISO, any Customer, a Transmission Owner, or any other Schedule 20A Service Provider, and, in the case of a Transmission Customer, any action or inaction by the ISO, a Schedule 20A Service Provider, or any Transmission Owner.

Forward Capacity Auction (FCA) is the annual Forward Capacity Market auction process described in Section III.13.2 of Market Rule 1.

Forward Capacity Auction Starting Price is calculated in accordance with Section III.13.2.4 of Market Rule 1.

Forward Capacity Market (FCM) is the forward market for procuring capacity in the New England Control Area, as described in Section III.13 of Market Rule 1.

Forward Energy Inventory Election is the total MWh value for which a Market Participant elects to be compensated at the forward rate in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

Forward LNG Inventory Election is the portion of a Market Participant's Forward Energy Inventory Election attributed to liquefied natural gas in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

Forward Reserve means TMNSR and TMOR purchased by the ISO on a forward basis on behalf of Market Participants as provided for in Section III.9 of Market Rule 1.

Forward Reserve Assigned Megawatts is the amount of Forward Reserve, in megawatts, that a Market Participant assigns to eligible Forward Reserve Resources to meet its Forward Reserve Obligation as defined in Section III.9.4.1 of Market Rule 1.

Forward Reserve Auction is the periodic auction conducted by the ISO in accordance with Section III.9 of Market Rule 1 to procure Forward Reserve.

Forward Reserve Auction Offers are offers to provide Forward Reserve to meet system and Reserve Zone requirements as submitted by a Market Participant in accordance with Section III.9.3 of Market Rule 1.

Forward Reserve Charge is a Market Participant's share of applicable system and Reserve Zone Forward Reserve costs attributable to meeting the Forward Reserve requirement as calculated in accordance with Section III.9.9 of Market Rule 1.

Forward Reserve Clearing Price is the clearing price for TMNSR or TMOR, as applicable, for the system and each Reserve Zone resulting from the Forward Reserve Auction as defined in Section III.9.4 of Market Rule 1.

Forward Reserve Credit is the credit received by a Market Participant that is associated with that Market Participant's Final Forward Reserve Obligation as calculated in accordance with Section III.9.8 of Market Rule 1.

Forward Reserve Delivered Megawatts are calculated in accordance with Section III.9.6.5 of Market Rule 1.

Forward Reserve Delivery Period is defined in Section III.9.1 of Market Rule 1.

Forward Reserve Failure-to-Activate Megawatts are calculated in accordance with Section III.9.7.2(a) of Market Rule 1.

Forward Reserve Failure-to-Activate Penalty is the penalty associated with a Market Participant's failure to activate Forward Reserve when requested to do so by the ISO and is defined in Section III.9.7.2 of Market Rule 1.

Forward Reserve Failure-to-Activate Penalty Rate is specified in Section III.9.7.2 of Market Rule 1.

Forward Reserve Failure-to-Reserve, as specified in Section III.9.7.1 of Market Rule 1, occurs when a Market Participant's Forward Reserve Delivered Megawatts for a Reserve Zone in an hour is less than that Market Participant's Forward Reserve Obligation for that Reserve Zone in that hour. Under these circumstances the Market Participant pays a penalty based upon the Forward Reserve Failure-to-Reserve Penalty Rate and that Market Participant's Forward Reserve Failure-to-Reserve Megawatts.

Forward Reserve Failure-to-Reserve Megawatts are calculated in accordance with Section III.9.7.1(a) of Market Rule 1.

Forward Reserve Failure-to-Reserve Penalty is the penalty associated with a Market Participant's failure to reserve Forward Reserve and is defined in Section III.9.7.1 of Market Rule 1.

Forward Reserve Failure-to-Reserve Penalty Rate is specified in Section III.9.7.1(b)(ii) of Market Rule 1.

Forward Reserve Fuel Index is the index or set of indices used to calculate the Forward Reserve Threshold Price as defined in Section III.9.6.2 of Market Rule 1.

Forward Reserve Heat Rate is the heat rate as defined in Section III.9.6.2 of Market Rule 1 that is used to calculate the Forward Reserve Threshold Price.

Forward Reserve Market is a market for forward procurement of two reserve products, Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

Forward Reserve MWs are those megawatts assigned to specific eligible Forward Reserve Resources which convert a Forward Reserve Obligation into a Resource-specific obligation.

Forward Reserve Obligation is a Market Participant's amount, in megawatts, of Forward Reserve that cleared in the Forward Reserve Auction and adjusted, as applicable, to account for bilateral transactions that transfer Forward Reserve Obligations.

Forward Reserve Obligation Charge is defined in Section III.10.4 of Market Rule 1.

Forward Reserve Offer Cap is \$7,100/megawatt-month.

Forward Reserve Payment Rate is defined in Section III.9.8 of Market Rule 1.

Forward Reserve Procurement Period is defined in Section III.9.1 of Market Rule 1.

Forward Reserve Qualifying Megawatts refer to all or a portion of a Forward Reserve Resource's capability offered into the Real-Time Energy Market at energy offer prices above the applicable Forward Reserve Threshold Price that are calculated in accordance with Section III.9.6.4 of Market Rule 1.

Forward Reserve Resource is a Resource that meets the eligibility requirements defined in Section III.9.5.2 of Market Rule 1 that has been assigned Forward Reserve Obligation by a Market Participant.

Forward Reserve Threshold Price is the minimum price at which assigned Forward Reserve Megawatts are required to be offered into the Real-Time Energy Market as calculated in Section III.9.6.2 of Market Rule 1.

FTR Auction is the periodic auction of FTRs conducted by the ISO in accordance with Section III.7 of Market Rule 1.

FTR Auction Revenue is the revenue collected from the sale of FTRs in FTR Auctions. FTR Auction Revenue is payable to FTR Holders who submit their FTRs for sale in the FTR Auction in accordance with Section III.7 of Market Rule 1 and to ARR Holders and Incremental ARR Holders in accordance with Appendix C of Market Rule 1.

FTR Credit Test Percentage is calculated in accordance with Section III.B.1(b) of the ISO New England Financial Assurance Policy.

FTR Financial Assurance Requirements are described in Section VI of the ISO New England Financial Assurance Policy.

FTR Holder is an entity that acquires an FTR through the FTR Auction to Section III.7 of Market Rule 1 and registers with the ISO as the holder of the FTR in accordance with Section III.7 of Market Rule 1 and applicable ISO New England Manuals.

FTR-Only Customer is a Market Participant that transacts in the FTR Auction and that does not participate in other markets or programs of the New England Markets. References in this Tariff to a “Non-Market Participant FTR Customers” and similar phrases shall be deemed references to an FTR-Only Customer.

FTR Settlement Risk Financial Assurance is an amount of financial assurance required by a Designated FTR Participant for each bid submission into an FTR Auction and for each bid awarded to the individual participant in an FTR Auction. This amount is calculated pursuant to Section VI.A of the ISO New England Financial Assurance Policy.

GADS Data means data submitted to the NERC for collection into the NERC’s Generating Availability Data System (GADS).

Gap Request for Proposals (Gap RFP) is defined in Section III.11 of Market Rule 1.

Gas Day means a period of 24 consecutive hours beginning at 0900 hrs Central Time.

Generating Capacity Resource means a New Generating Capacity Resource or an Existing Generating Capacity Resource.

Generator Asset is a device (or a collection of devices) that is capable of injecting real power onto the grid that has been registered as a Generator Asset in accordance with the Asset Registration Process.

Generator Imbalance Service is the form of Ancillary Service described in Schedule 10 of the OATT.

Generator Interconnection Related Upgrade is an addition to or modification of the New England Transmission System (pursuant to Section II.47.1, Schedule 22 or Schedule 23 of the OATT) to effect the

interconnection of a new generating unit or an existing generating unit whose energy capability or capacity capability is being materially changed and increased whether or not the interconnection is being effected to meet the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard. As to Category A Projects (as defined in Schedule 11 of the OATT), a Generator Interconnection Related Upgrade also includes an upgrade beyond that required to satisfy the Network Capability Interconnection Standard (or its predecessor) for which the Generator Owner has committed to pay prior to October 29, 1998.

Generator Owner is the owner, in whole or part, of a generating unit whether located within or outside the New England Control Area.

Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

Governance Only Member is defined in Section 1 of the Participants Agreement.

Governance Participant is defined in the Participants Agreement.

Governing Documents, for the purposes of the ISO New England Billing Policy, are the Transmission, Markets and Services Tariff and ISO Participants Agreement.

Governing Rating is the lowest corporate rating from any Rating Agency for that Market Participant, or, if the Market Participant has no corporate rating, then the lowest rating from any Rating Agency for that Market Participant's senior unsecured debt.

Grandfathered Agreements (GAs) is a transaction specified in Section II.45 for the applicable period specified in that Section.

Grandfathered Intertie Agreement (GIA) is defined pursuant to the TOA.

Handy-Whitman Index of Public Utility Construction Costs is the Total Other Production Plant index shown in the Cost Trends of Electric Utility Construction for the North Atlantic Region as published in the Handy-Whitman Index of Public Utility Construction Costs.

Highgate Transmission Facilities (HTF) are existing U. S.-based transmission facilities covered under the Agreement for Joint Ownership, Construction and Operation of the Highgate Transmission Interconnection dated as of August 1, 1984 including (1) the whole of a 200 megawatt high-voltage, back-to-back, direct-current converter facility located in Highgate, Vermont and (2) a 345 kilovolt transmission line within Highgate and Franklin, Vermont (which connects the converter facility at the U.S.-Canadian border to a Hydro-Quebec 120 kilovolt line in Bedford, Quebec). The HTF include any upgrades associated with increasing the capacity or changing the physical characteristics of these facilities as defined in the above stated agreement dated August 1, 1984 until the Operations Date, as defined in the TOA. The current HTF rating is a nominal 225 MW. The HTF are not defined as PTF. Coincident with the Operations Date and except as stipulated in Schedules, 9, 12, and Attachment F to the OATT, HTF shall be treated in the same manner as PTF for purposes of the OATT and all references to PTF in the OATT shall be deemed to apply to HTF as well. The treatment of the HTF is not intended to establish any binding precedent or presumption with regard to the treatment for other transmission facilities within the New England Transmission System (including HVDC, MTF, or Control Area Interties) for purposes of the OATT.

Host Participant or Host Utility is a Market Participant or a Governance Participant transmission or distribution provider that reconciles the loads within the metering domain with OP-18 compliant metering.

Hourly Charges are defined in Section 1.3 of the ISO New England Billing Policy.

Hourly Requirements are determined in accordance with Section III.A(i) of the ISO New England Financial Assurance Policy.

Hourly Shortfall NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Hub is a specific set of pre-defined Nodes for which a Locational Marginal Price will be calculated for the Day-Ahead Energy Market and Real-Time Energy Market and which can be used to establish a reference price for energy purchases and the transfer of Day-Ahead Adjusted Load Obligations and Real-Time Adjusted Load Obligations and for the designation of FTRs.

Hub Price is calculated in accordance with Section III.2.8 of Market Rule 1.

HQ Interconnection Capability Credit (HQICC) is a monthly value reflective of the annual installed capacity benefits of the Phase I/II HVDC-TF, as determined by the ISO, using a standard methodology on file with the Commission, in conjunction with the setting of the Installed Capacity Requirement. An appropriate share of the HQICC shall be assigned to an IRH if the Phase I/II HVDC-TF support costs are paid by that IRH and such costs are not included in the calculation of the Regional Network Service rate. The share of HQICC allocated to such an eligible IRH for a month is the sum in kilowatts of (1)(a) the IRH's percentage share, if any, of the Phase I Transfer Capability times (b) the Phase I Transfer Credit, plus (2)(a) the IRH's percentage share, if any, of the Phase II Transfer Capability, times (b) the Phase II Transfer Credit. The ISO shall establish appropriate HQICCs to apply for an IRH which has such a percentage share.

Import Capacity Resource means an Existing Import Capacity Resource or a New Import Capacity Resource offered to provide capacity in the New England Control Area from an external Control Area.

Inadvertent Energy Revenue is defined in Section III.3.2.1(o) of Market Rule 1.

Inadvertent Energy Revenue Charges or Credits is defined in Section III.3.2.1(p) of Market Rule 1.

Inadvertent Interchange means the difference between net actual energy flow and net scheduled energy flow into or out of the New England Control Area.

Increment Offer means an offer to sell energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical supply. An accepted Increment Offer results in scheduled supply at the specified Location in the Day-Ahead Energy Market.

Incremental ARR is an ARR provided in recognition of a participant-funded transmission system upgrade pursuant to Appendix C of this Market Rule.

Incremental ARR Holder is an entity which is the record holder of an Incremental Auction Revenue Right in the register maintained by the ISO.

Incremental Cost of Reliability Service is described in Section III.13.2.5.2.5.2 of Market Rule 1.

Independent Transmission Company (ITC) is a transmission entity that assumes certain responsibilities in accordance with Section 10.05 of the Transmission Operating Agreement and Attachment M to the OATT, subject to the acceptance or approval of the Commission and a finding of the Commission that the transmission entity satisfies applicable independence requirements.

Information Request is a request from a potential Disputing Party submitted in writing to the ISO for access to Confidential Information.

Initial Market Participant Financial Assurance Requirement is calculated for new Market Participants and Returning Market Participants, other than an FTR-Only Customer or a Governance Only Member, according to Section IV of the ISO New England Financial Assurance Policy.

Installed Capacity Requirement means the level of capacity required to meet the reliability requirements defined for the New England Control Area, as described in Section III.12 of Market Rule 1.

Interchange Transactions are transactions deemed to be effected under Market Rule 1.

Interconnecting Transmission Owner has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Interconnection Agreement is the “Large Generator Interconnection Agreement”, the “Small Generator Interconnection Agreement”, or the “Elective Transmission Upgrade Interconnection Agreement” pursuant to Schedules 22, 23 or 25 of the ISO OATT or an interconnection agreement approved by the Commission prior to the adoption of the Interconnection Procedures.

Interconnection Customer has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

~~Interconnection Feasibility Study Agreement has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, or Section I of Schedule 25 of the OATT.~~

Interconnection Procedure is the “Large Generator Interconnection Procedures,” the “Small Generator Interconnection Procedures,” or the “Elective Transmission Upgrade Interconnection Procedures” pursuant to Schedules 22, 23, and 25 of the ISO OATT.

Interconnection Reliability Operating Limit (IROL) has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

Interconnection Request has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, or Section I of Schedule 25 of the OATT.

Interconnection Rights Holder(s) (IRH) has the meaning given to it in Schedule 20A to Section II of this Tariff.

~~Interconnection System Impact Study Agreement has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23 and Section I of Schedule 25 of the OATT.~~

Interest is interest calculated in the manner specified in Section II.8.3.

Interface Bid is a unified real-time bid to simultaneously purchase and sell energy on each side of an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented.

Intermittent Power Resource is a wind, solar, run of river hydro or other renewable resource or an aggregation of wind, solar, run of river hydro and other renewable resources that does not have control over its net power output.

Internal Bilateral for Load is an internal bilateral transaction under which the buyer receives a reduction in Real-Time Load Obligation and the seller receives a corresponding increase in Real-Time Load Obligation in the amount of the sale, in MWs. An Internal Bilateral for Load transaction is only applicable in the Real-Time Energy Market.

Internal Bilateral for Market for Energy is an internal bilateral transaction for Energy which applies in the Day-Ahead Energy Market and Real-Time Energy Market or just the Real-Time Energy Market under which the buyer receives a reduction in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation and the seller receives a corresponding increase in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation in the amount of the sale, in MWs.

Internal Elective Transmission Upgrade (Internal ETU) is defined in Section I of Schedule 25 of the OATT.

Internal Market Monitor means the department of the ISO responsible for carrying out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

Interregional Planning Stakeholder Advisory Committee (IPSAC) is the committee described as such in the Northeast Planning Protocol.

Interregional Transmission Project is a transmission project located within the New England Control Area and one or more of the neighboring transmission planning regions.

Interruption Cost is the amount, in dollars, that must be paid to a Market Participant each time the Market Participant's Demand Response Resource is scheduled or dispatched in the New England Markets to reduce demand.

Inventoried Energy Day is an Operating Day that occurs in the months of December, January, or February during the winters of 2023-2024 and 2024-2025 (inventoried energy program) and for which the average of the high temperature and the low temperature on that Operating Day, as measured and reported by the National Weather Service at Bradley International Airport in Windsor Locks, Connecticut, is less than or equal to 17 degrees Fahrenheit, as described in Section III.K.3.1 of Market Rule 1.

Investment Grade Rating, for a Market (other than an FTR-Only Customer) or Non-Market Participant Transmission Customer, is either (a) a corporate investment grade rating from one or more of the Rating Agencies, or (b) if the Market Participant or Non-Market Participant Transmission Customer does not have a corporate rating from one of the Rating Agencies, then an investment grade rating for the Market Participant's or Non-Market Participant Transmission Customer's senior unsecured debt from one or more of the Rating Agencies.

Invoice is a statement issued by the ISO for the net Charge owed by a Covered Entity pursuant to the ISO New England Billing Policy.

Invoice Date is the day on which the ISO issues an Invoice.

ISO means ISO New England Inc.

ISO Charges, for the purposes of the ISO New England Billing Policy, are both Non-Hourly Charges and Hourly Charges.

ISO Control Center is the primary control center established by the ISO for the exercise of its Operating Authority and the performance of functions as an RTO.

ISO-Initiated Claimed Capability Audit is the audit performed pursuant to Section III.1.5.1.4.

ISO New England Administrative Procedures means procedures adopted by the ISO to fulfill its responsibilities to apply and implement ISO New England System Rules.

ISO New England Billing Policy is Exhibit ID to Section I of the Transmission, Markets and Services Tariff.

ISO New England Filed Documents means the Transmission, Markets and Services Tariff, including but not limited to Market Rule 1, the Participants Agreement, the Transmission Operating Agreement or other documents that affect the rates, terms and conditions of service.

ISO New England Financial Assurance Policy is Exhibit IA to Section I of the Transmission, Markets and Services Tariff.

ISO New England Information Policy is the policy establishing guidelines regarding the information received, created and distributed by Market Participants and the ISO in connection with the settlement, operation and planning of the System, as the same may be amended from time to time in accordance with the provisions of this Tariff. The ISO New England Information Policy is Attachment D to the Transmission, Markets and Services Tariff.

ISO New England Manuals are the manuals implementing Market Rule 1, as amended from time to time in accordance with the Participants Agreement. Any elements of the ISO New England Manuals that substantially affect rates, terms, and/or conditions of service shall be filed with the Commission under Section 205 of the Federal Power Act.

ISO New England Operating Documents are the Tariff and the ISO New England Operating Procedures.

ISO New England Operating Procedures (OPs) are the ISO New England Planning Procedures and the operating guides, manuals, procedures and protocols developed and utilized by the ISO for operating the ISO bulk power system and the New England Markets.

ISO New England Planning Procedures are the procedures developed and utilized by the ISO for planning the ISO bulk power system.

ISO New England System Rules are Market Rule 1, the ISO New England Information Policy, the ISO New England Administrative Procedures, the ISO New England Manuals and any other system rules, procedures or criteria for the operation of the New England Transmission System and administration of the New England Markets and the Transmission, Markets and Services Tariff.

ITC Agreement is defined in Attachment M to the OATT.

ITC Rate Schedule is defined in Section 3.1 of Attachment M to the OATT.

ITC System is defined in Section 2.2 of Attachment M to the OATT.

ITC System Planning Procedures is defined in Section 15.4 of Attachment M to the OATT.

Joint ISO/RTO Planning Committee (JIPC) is the committee described as such in the Northeastern Planning Protocol.

Late Payment Account is a segregated interest-bearing account into which the ISO deposits Late Payment Charges due from ISO Charges and interest owed from participants for late payments that are

collected and not distributed to the Covered Entities, until the Late Payment Account Limit is reached, under the ISO New England Billing Policy and penalties collected under the ISO New England Financial Assurance Policy.

Late Payment Account Limit is defined in Section 4.2 of the ISO New England Billing Policy.

Late Payment Charge is defined in Section 4.1 of the ISO New England Billing Policy.

Lead Market Participant, for purposes other than the Forward Capacity Market, is the entity authorized to submit Supply Offers, Demand Bids, Demand Reduction Offers or Baseline Deviation Offers for a Resource and to whom certain Energy TUs are assessed under Schedule 2 of Section IV.A of the Tariff. For purposes of the Forward Capacity Market, the Lead Market Participant is the entity designated to participate in that market on behalf of an Existing Capacity Resource or a New Capacity Resource.

Limited Energy Resource means a Generator Asset that, due to design considerations, environmental restriction on operations, cyclical requirements, such as the need to recharge or refill or manage water flow, or fuel limitations, are unable to operate continuously at full output on a daily basis.

Load Asset means a physical load that has been registered in accordance with the Asset Registration Process. A Load Asset can be an Asset Related Demand, including a Dispatchable Asset Related Demand.

Load Management means measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that curtail electrical usage or shift electrical usage while delivering a comparable or acceptable level of end-use service. Such measures include, but are not limited to, energy management systems, load control end-use cycling, load curtailment strategies, and energy storage that curtails or shifts electrical usage by means other than generating electricity.

Load Shedding is the systematic reduction of system demand by temporarily decreasing load.

Load-Side Relationship Certification is a certification described in Section III.A.21.1.3 that a Project Sponsor submits as part of the New Capacity Qualification Package, New Demand Capacity Resource Qualification Package, or New Distributed Energy Capacity Resource Qualification Package to demonstrate that the New Capacity Resource should not be subject to buyer-side market power review.

Load Zone is a Reliability Region, except as otherwise provided for in Section III.2.7 of Market Rule 1.

Local Area Facilities are defined in the TOA.

Local Benefit Upgrade(s) (LBU) is an upgrade, modification or addition to the transmission system that is: (i) rated below 115kV or (ii) rated 115kV or above and does not meet all of the non-voltage criteria for PTF classification specified in the OATT.

Local Control Centers are those control centers in existence as of the effective date of the OATT (including the CONVEX, REMVEC, Maine and New Hampshire control centers) or established by the PTOs in accordance with the TOA that are separate from the ISO Control Center and perform certain functions in accordance with the OATT and the TOA.

Local Delivery Service is the service of delivering electric energy to end users. This service is subject to state jurisdiction regardless of whether such service is provided over local distribution or transmission facilities. An entity that is an Eligible Customer under the OATT is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the Participating Transmission Owner and/or distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs and benefits.

Local Longer-Term Transmission Upgrade is any addition, modification, and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Longer-Term Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Section 16 of Attachment K to the OATT.

Local Network is defined as the transmission facilities constituting a local network as identified in Attachment E, as such Attachment may be modified from time to time in accordance with the Transmission Operating Agreement.

Local Network Load is the load that a Network Customer designates for Local Network Service under Schedule 21 to the OATT.

Local Network RNS Rate is the rate applicable to Regional Network Service to effect a delivery to load in a particular Local Network, as determined in accordance with Schedule 9 to the OATT.

Local Network Service (LNS) is the network service provided under Schedule 21 and the Local Service Schedules to permit the Transmission Customer to efficiently and economically utilize its resources to serve its load.

Local Point-To-Point Service (LPTP) is Point-to-Point Service provided under Schedule 21 of the OATT and the Local Service Schedules to permit deliveries to or from an interconnection point on the PTF.

Local Public Policy Transmission Upgrade is any addition and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Public Policy Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Attachment K to the ISO OATT or included in a Local System Plan in accordance with Appendix 1 to Attachment K.

Local Resource Adequacy Requirement is calculated pursuant to Section III.12.2.1.1.

Local Second Contingency Protection Resources are those Resources identified by the ISO on a daily basis as necessary for the provision of Operating Reserve requirements and adherence to NERC, NPCC and ISO reliability criteria over and above those Resources required to meet first contingency reliability criteria within a Reliability Region.

Local Service is transmission service provided under Schedule 21 and the Local Service Schedules thereto.

Local Service Schedule is a PTO-specific schedule to the OATT setting forth the rates, charges, terms and conditions applicable to Local Service.

Local Sourcing Requirement (LSR) is a value calculated as described in Section III.12.2.1 of Market Rule 1.

Local System Planning (LSP) is the process defined in Appendix 1 of Attachment K to the OATT.

Localized Costs are costs that the ISO, with advisory input from the Reliability Committee, determines in accordance with Schedule 12C of the OATT shall not be included in the Pool-Supported PTF costs recoverable under this OATT, or in costs allocated to Regional Network Load according to Section 6 and Section 10 of Schedule 12. If there are any Localized Costs, the ISO shall identify them in the Regional System Plan.

Location is a Node, External Node, Load Zone, DRR Aggregation Zone, or Hub.

Locational Marginal Price (LMP) is defined in Section III.2 of Market Rule 1. The Locational Marginal Price for a Node is the nodal price at that Node; the Locational Marginal Price for an External Node is the nodal price at that External Node; the Locational Marginal Price for a Load Zone, DRR Aggregation Zone or Reliability Region is the Zonal Price for that Load Zone, DRR Aggregation Zone or Reliability Region, respectively; and the Locational Marginal Price for a Hub is the Hub Price for that Hub.

~~**Long Lead Time Facility (Long Lead Facility)** has the meaning specified in Section I of Schedule 22 and Schedule 25 of the OATT.~~

Long-Term is a term of one year or more.

Long-Term Transmission Outage is a long-term transmission outage scheduled in accordance with ISO New England Operating Procedure No. 3.

Longer-Term Proposal is a proposal submitted by a Qualified Transmission Project Sponsor pursuant to Section 16.4(b) of Attachment K to the OATT.

Longer-Term Transmission Solution is the Longer-Term Proposal identified as the preferred solution pursuant to Section 16 of Attachment K to the OATT.

Longer-Term Transmission Study is a study conducted by the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT. The 2050 Transmission Study shall be the first Longer-Term Transmission Study.

Longer-Term Transmission Upgrade is an addition, modification, and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Longer-Term Transmission Upgrade PTF classification specified in the OATT and has been included in the Regional System Plan and RSP Project List as a Longer-Term Transmission Upgrade pursuant to the procedures described in Section 16 of Attachment K of the OATT.

Loss Component is the component of the nodal LMP at a given Node or External Node on the PTF that reflects the cost of losses at that Node or External Node relative to the reference point. The Loss Component of the nodal LMP at a given Node on the non-PTF system reflects the relative cost of losses at that Node adjusted as required to account for losses on the non-PTF system already accounted for through tariffs associated with the non-PTF. When used in connection with Hub Price or Zonal Price, the term Loss Component refers to the Loss Components of the nodal LMPs that comprise the Hub Price or Zonal Price, which Loss Components are averaged or weighted in the same way that nodal LMPs are averaged to determine Hub Price or weighted to determine Zonal Price.

Loss of Load Expectation (LOLE) is the probability of disconnecting non-interruptible customers due to a resource deficiency.

Lost Opportunity Cost (LOC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

LSE means load serving entity.

Lump Sum Blackstart Payment is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

Lump Sum Blackstart Capital Payment is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

Manual Response Rate is the rate, in MW/Minute, at which the output of a Generator Asset, or the consumption of a Dispatchable Asset Related Demand, is capable of changing.

Marginal Loss Revenue Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Marginal Reliability Impact is the change, with respect to an increment of capacity supply, in expected unserved energy due to resource deficiency, as measured in hours per year.

Market Credit Limit is a credit limit for a Market Participant's Financial Assurance Obligations (except FTR Financial Assurance Requirements) established for each Market Participant in accordance with Section II.C of the ISO New England Financial Assurance Policy.

Market Credit Test Percentage is calculated in accordance with Section III.B.1(a) of the ISO New England Financial Assurance Policy.

Market Efficiency Needs Scenario is an Economic Study reference scenario that is described in Section 17.2(b) of Attachment K to the OATT.

Market Efficiency Transmission Upgrade is defined as those additions and upgrades that are not related to the interconnection of a generator, and, in the ISO's determination, are designed to reduce bulk power system costs to load system-wide, where the net present value of the reduction in bulk power system costs to load system-wide exceeds the net present value of the cost of the transmission addition or upgrade. For purposes of this definition, the term "bulk power system costs to load system-wide" includes, but is not limited to, the costs of energy, capacity, reserves, losses and impacts on bilateral prices for electricity.

Market Participant is a participant in the New England Markets (including a FTR-Only Customer) that has executed a Market Participant Service Agreement, or on whose behalf an unexecuted Market Participant Service Agreement has been filed with the Commission.

Market Participant Financial Assurance Requirement is defined in Section III of the ISO New England Financial Assurance Policy.

Market Participant Service Agreement (MPSA) is an agreement between the ISO and a Market Participant, in the form specified in Attachment A or Attachment A-1 to the Tariff, as applicable.

Market Rule 1 is ISO Market Rule 1 and appendices set forth in Section III of this ISO New England Inc. Transmission, Markets and Services Tariff, as it may be amended from time to time.

Market Violation is a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies.

Material Adverse Change is any change in financial status including, but not limited to a downgrade to below an Investment Grade Rating by any Rating Agency, being placed on credit watch with negative implication by any Rating Agency if the Market Participant or Non-Market Participant Transmission Customer does not have an Investment Grade Rating, a bankruptcy filing or other insolvency, a report of a significant quarterly loss or decline of earnings, the resignation of key officer(s), the sanctioning of the Market Participant or Non-Market Participant Transmission Customer or any of its Principles imposed by the Federal Energy Regulatory Commission, the Securities Exchange Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; the filing of a material lawsuit that could materially adversely impact current or future financial results; a significant change in the Market Participant's or Non-Market Participant Transmission Customer's credit default spreads; or a significant change in market capitalization.

Material Adverse Impact is defined, for purposes of review of ITC-proposed plans, as a proposed facility or project will be deemed to cause a "material adverse impact" on facilities outside of the ITC System if: (i) the proposed facility or project causes non-ITC facilities to exceed their capabilities or exceed their thermal, voltage or stability limits, consistent with all applicable reliability criteria, or (ii) the proposed facility or project would not satisfy the standards set forth in Section I.3.9 of the Transmission, Markets and Services Tariff. This standard is intended to assure the continued service of all non-ITC firm load customers and the ability of the non-ITC systems to meet outstanding transmission service obligations.

Maximum Capacity Limit is a value calculated as described in Section III.12.2.2 of Market Rule 1.

Maximum Consumption Limit is the maximum amount, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's Offer Data. A Market Participant must maintain an up-to-date Maximum Consumption Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Maximum Consumption Limit) for all hours in which a DARD has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

Maximum Daily Energy Limit is the maximum amount of megawatt-hours that a Limited Energy Resource expects to be able to generate in the next Operating Day.

Maximum Daily Consumption Limit is the maximum amount of megawatt-hours that a Storage DARD expects to be able to consume in the next Operating Day.

Maximum Facility Load is the highest demand of an end-use customer facility since the start of the prior calendar year (or, if unavailable, an estimate thereof), where the demand evaluated is established by adding metered demand measured at the Retail Delivery Point and the output of all generators located behind the Retail Delivery Point in the same time intervals.

Maximum Interruptible Capacity is an estimate of the maximum demand reduction and Net Supply that a Demand Response Asset can deliver, as measured at the Retail Delivery Point.

Maximum Load is the highest demand since the start of the prior calendar year (or, if unavailable, an estimate thereof), as measured at the Retail Delivery Point.

Maximum Number of Daily Starts is the maximum number of times that a Binary Storage DARD or a Generator Asset can be started or that a Demand Response Resource can be interrupted in the next Operating Day under normal operating conditions.

Maximum Reduction is the maximum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer.

Measure Life is the estimated time an On-Peak Demand Resource or Seasonal Peak Demand Resource measure will remain in place, or the estimated time period over which the facility, structure, equipment or system in which a measure is installed continues to exist, whichever is shorter. Suppliers of On-Peak Demand Resources or Seasonal Peak Demand Resources comprised of an aggregation of measures with varied Measures Lives shall determine and document the Measure Life either: (i) for each type of measure with a different Measure Life and adjust the aggregate performance based on the individual measure life calculation in the portfolio; or (ii) as the average Measure Life for the aggregated measures as long as the demand reduction capability of the resource is greater than or equal to the amount that cleared in the

Forward Capacity Auction or reconfiguration auction for the entire Capacity Commitment Period, and the demand reduction capability for an Existing On-Peak Demand Resource or Existing Seasonal Peak Demand Resource is not over-stated in a subsequent Capacity Commitment Period. Measure Life shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements of Market Rule 1 and the ISO New England Manuals.

Measurement and Verification Documents mean the measurement and verification documents described in Section 13.1.4.3.1 of Market Rule 1 that are submitted by On-Peak Demand Resources and Seasonal Peak Demand Resources, which include Measurement and Verification Plans, Updated Measurement and Verification Plans, Measurement and Verification Summary Reports, and Measurement and Verification Reference Reports.

Measurement and Verification Plan means the measurement and verification plan submitted by an On-Peak Demand Resource or Seasonal Peak Demand Resource as part of the qualification process for the Forward Capacity Auction pursuant to the requirements of Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

Measurement and Verification Reference Reports are optional reports submitted by On-Peak Demand Resources or Seasonal Peak Demand Resources during the Capacity Commitment Period subject to the schedule in the Measurement and Verification Plan and consistent with the schedule and reporting standards set forth in the ISO New England Manuals. Measurement and Verification Reference Reports update the prospective demand reduction capability of the On-Peak Demand Resource or Seasonal Peak Demand Resource project based on measurement and verification studies performed during the Capacity Commitment Period.

Measurement and Verification Summary Report is the monthly report submitted by an On-Peak Demand Resource or Seasonal Peak Demand Resource with the monthly settlement report for the Forward Capacity Market, which documents the total demand reduction capability for all On-Peak Demand Resources and Seasonal Peak Demand Resources in operation as of the end of the previous month.

MEPCO Grandfathered Transmission Service Agreement (MG TSA) is a MEPCO long-term firm point-to-point transmission service agreement with a POR or POD at the New Brunswick border and a

start date prior to June 1, 2007 where the holder has elected, by written notice delivered to MEPCO within five (5) days following the filing of the settlement agreement in Docket Nos. ER07-1289 and EL08-56 or by September 1, 2008 (whichever is later), MGTSA treatment as further described in Section II.45.1.

Merchant Transmission Facilities (MTF) are the transmission facilities owned by MTOs, defined and classified as MTF pursuant to Schedule 18 of the OATT, over which the ISO shall exercise Operating Authority in accordance with the terms set forth in a MTOA or Attachment K to the OATT, rated 69 kV or above and required to allow energy from significant power sources to move freely on the New England Transmission System.

Merchant Transmission Facilities Provider (MTF Provider) is an entity as defined in Schedule 18 of the OATT.

Merchant Transmission Facilities Service (MTF Service) is transmission service over MTF as provided for in Schedule 18 of the OATT.

Merchant Transmission Operating Agreement (MTOA) is an agreement between the ISO and an MTO with respect to its MTF.

Merchant Transmission Owner (MTO) is an owner of MTF.

Meter Data Error means an error in meter data, including an error in Coincident Peak Contribution values, on an Invoice issued by the ISO after the completion of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.8 of Market Rule 1.

Meter Data Error RBA Submission Limit means the date thirty 30 calendar days after the issuance of the Invoice containing the results of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.6 of Market Rule 1.

Metered Quantity For Settlement is defined in Section III.3.2.1.1 of Market Rule 1.

Minimum Consumption Limit is (a) the lowest consumption level, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's

Offer Data, and (b) for a DARD undergoing Facility and Equipment Testing or auditing, the level to which the DARD requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing.

Minimum Down Time is the number of hours that must elapse after a Generator Asset or Storage DARD has been released for shutdown at or below its Economic Minimum Limit or Minimum Consumption Limit before the Generator Asset or Storage DARD can be brought online and be released for dispatch at its Economic Minimum Limit or Minimum Consumption Limit.

Minimum Generation Emergency means an Emergency declared by the ISO in which the ISO anticipates requesting one or more Generator Assets to operate at or below Economic Minimum Limit in order to manage, alleviate, or end the Emergency.

Minimum Generation Emergency Credits are those Real-Time Dispatch NCPC Credits calculated pursuant to Appendix F of Market Rule 1 for resources within a reliability region that are dispatched during a period for which a Minimum Generation Emergency has been declared.

Minimum Reduction is the minimum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer.

Minimum Reduction Time is the minimum number of hours of demand reduction at or above the Minimum Reduction for which the ISO must dispatch a Demand Response Resource to reduce demand.

Minimum Run Time is the number of hours that a Generator Asset must remain online after it has been scheduled to reach its Economic Minimum Limit before it can be released for shutdown from its Economic Minimum Limit or the number of hours that must elapse after a Storage DARD has been scheduled to consume at its Minimum Consumption Limit before it can be released for shutdown.

Minimum Time Between Reductions is the number of hours that must elapse after a Demand Response Resource has received a Dispatch Instruction to stop reducing demand before the Demand Response Resource can achieve its Minimum Reduction after receiving a Dispatch Instruction to start reducing demand.

Minimum Total Reserve Requirement, which does not include Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Monthly Blackstart Service Charge is the charge made to Transmission Customers pursuant to Section 6 of Schedule 16 to the OATT.

Monthly Capacity Payment is the Forward Capacity Market payment described in Section III.13.7.3 of Market Rule 1.

Monthly Peak is defined in Section II.21.2 of the OATT.

Monthly Real-Time Demand Reduction Obligation is the absolute value of a Customer's hourly Real-Time Demand Reduction Obligation summed for all hours in a month, in MWhs.

Monthly Real-Time Generation Obligation is the sum, for all hours in a month, at all Locations, of a Customer's Real-Time Generation Obligation, in MWhs.

Monthly Real-Time Load Obligation is the absolute value of a Customer's hourly Real-Time Load Obligation summed for all hours in a month, in MWhs.

Monthly Regional Network Load is defined in Section II.21.2 of the OATT.

Monthly Statement is the first weekly Statement issued on a Monday after the ninth of a calendar month that includes both the Hourly Charges for the relevant billing period and Non-Hourly Charges for the immediately preceding calendar month.

MRI Transition Period is the period specified in Section III.13.2.2.1.

MUI is the market user interface.

Municipal Market Participant is defined in Section II of the ISO New England Financial Assurance Policy.

MW is megawatt.

MWh is megawatt-hour.

Native Load Customers are the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate its system to meet the reliable electric needs of such customers.

NCPC Charge means the charges to Market Participants calculated pursuant to Appendix F to Market Rule 1.

NCPC Credit means the credits to Market Participants calculated pursuant to Appendix F to Market Rule 1.

Needs Assessment is defined in Section 4.1 of Attachment K to the OATT.

NEMA, for purposes of Section III of the Tariff, is the Northeast Massachusetts Reliability Region.

NEMA Contract is a contract described in Appendix C of Market Rule 1 and listed in Exhibit 1 of Appendix C of Market Rule 1.

NEMA Load Serving Entity (NEMA LSE) is a Transmission Customer or Congestion Paying LSE Entity that serves load within NEMA.

NEMA or Northeast Massachusetts Upgrade, for purposes of Section II of the Tariff, is an addition to or modification of the PTF into or within the Northeast Massachusetts Reliability Region that was not, as of December 31, 1999, the subject of a System Impact Study or application filed pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff; that is not related to generation interconnections; and that will be completed and placed in service by June 30, 2004. Such upgrades include, but are not limited to, new transmission facilities and related equipment and/or modifications to existing transmission facilities and related equipment. The list of NEMA Upgrades is contained in Schedule 12A of the OATT.

NEPOOL is the New England Power Pool, and the entities that collectively participated in the New England Power Pool.

NEPOOL Agreement is the agreement among the participants in NEPOOL.

NEPOOL GIS is the generation information system.

NEPOOL GIS Administrator is the entity or entities that develop, administer, operate and maintain the NEPOOL GIS.

NEPOOL GIS API Fees are the one-time on-boarding fees and annual maintenance fees charged to NEPOOL by the NEPOOL GIS Administrator for each NEPOOL Participant or Market Participant that accesses the NEPOOL GIS through an application programming interface pursuant to Rule 3.9(b) of the operating rules of the NEPOOL GIS.

NEPOOL Participant is a party to the NEPOOL Agreement.

NERC is the North American Electric Reliability Corporation or its successor organization.

NESCOE is the New England States Committee on Electricity, recognized by the Commission as the regional state committee for the New England Control Area.

Net Commitment Period Compensation (NCPC) is the compensation methodology for Resources that is described in Appendix F to Market Rule 1.

Net CONE is an estimate of the Cost of New Entry, net of non-capacity market revenues, for a reference technology resource type and is intended to equal the amount of capacity revenue the reference technology resource would require to be economically viable given reasonable expectations of the energy and ancillary services revenues under long-term equilibrium conditions.

Net Regional Clearing Price is described in Section III.13.7.5 of Market Rule 1.

Net Supply is energy injected into the transmission or distribution system at a Retail Delivery Point.

Net Supply Capability is the maximum Net Supply a facility is physically and contractually able to inject into the transmission or distribution system at its Retail Delivery Point.

Network Capability Interconnection Standard has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Network Customer is a Transmission Customer receiving RNS or LNS.

Network Import Capability (NI Capability) is defined in Section I of Schedule 25 of the OATT.

Network Import Interconnection Service (NI Interconnection Service) is defined in Section I of Schedule 25 of the OATT.

Network Resource is defined as follows: (1) With respect to Market Participants, (a) any generating resource located in the New England Control Area which has been placed in service prior to the Compliance Effective Date (including a unit that has lost its capacity value when its capacity value is restored and a deactivated unit which may be reactivated without satisfying the requirements of Section II.46 of the OATT in accordance with the provisions thereof) until retired; (b) any generating resource located in the New England Control Area which is placed in service after the Compliance Effective Date until retired, provided that (i) the Generator Owner has complied with the requirements of Sections II.46 and II.47 and Schedules 22 and 23 of the OATT, and (ii) the output of the unit shall be limited in accordance with Sections II.46 and II.47 and Schedules 22 and 23, if required; and (c) any generating resource or combination of resources (including bilateral purchases) located outside the New England Control Area for so long as any Market Participant has an Ownership Share in the resource or resources which is being delivered to it in the New England Control Area to serve Regional Network Load located in the New England Control Area or other designated Regional Network Loads contemplated by Section II.18.3 of the OATT taking Regional Network Service. (2) With respect to Non-Market Participant Transmission Customers, any generating resource owned, purchased or leased by the Non-Market Participant Transmission Customer which it designates to serve Regional Network Load.

[Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.](#)

New Brunswick Security Energy is defined in Section III.3.2.6A of Market Rule 1.

New Capacity Offer is an offer in the Forward Capacity Auction to provide capacity from a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource.

New Capacity Qualification Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

New Capacity Qualification Package is information submitted by certain new resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

New Capacity Resource is a resource (i) that never previously received any payment as a capacity resource including any capacity payment pursuant to the market rules in effect prior to June 1, 2010 and that has not cleared in any previous Forward Capacity Auction; or (ii) that is otherwise eligible to participate in the Forward Capacity Auction as a New Capacity Resource.

New Capacity Show of Interest Form is described in Section III.13.1.1.2.1 of Market Rule 1.

New Capacity Show of Interest Submission Window is the period of time during which a Project Sponsor may submit a New Capacity Show of Interest Form, a New Demand Capacity Resource Show of Interest Form, or a New Distributed Energy Capacity Resource Show of Interest Form, as described in Section III.13.1.10 of Market Rule 1.

New Demand Capacity Resource is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.1 of Market Rule 1.

New Demand Capacity Resource Qualification Package is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource.

New Demand Capacity Resource Show of Interest Form is described in Section III.13.1.4.1.1.1 of Market Rule 1.

New Distributed Energy Capacity Resource is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.1 of Market Rule 1.

New Distributed Energy Capacity Resource Qualification Package is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4A.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource.

New Distributed Energy Capacity Resource Show of Interest Form is described in Section III.13.1.4A.1.1.1 of Market Rule 1.

New England Control Area is the Control Area for New England, which includes PTF, Non-PTF, MTF and OTF. The New England Control Area covers Connecticut, Rhode Island, Massachusetts, New Hampshire, Vermont, and part of Maine (i.e., excluding the portions of Northern Maine and the northern portion of Eastern Maine which are in the Maritimes Control Area).

New England Markets are markets or programs for the purchase of energy, capacity, ancillary services, demand response services or other related products or services (including Financial Transmission Rights) that are delivered through or useful to the operation of the New England Transmission System and that are administered by the ISO pursuant to rules, rates, or agreements on file from time to time with the Federal Energy Regulatory Commission.

New England System Restoration Plan is the plan that is developed by ISO, in accordance with NERC Reliability Standards, NPCC regional criteria and standards, ISO New England Operating Documents and ISO operating agreements, to facilitate the restoration of the New England Transmission System following a partial or complete shutdown of the New England Transmission System.

New England Transmission System is the system of transmission facilities, including PTF, Non-PTF, OTF and MTF, within the New England Control Area under the ISO's operational jurisdiction.

New Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as described in Section III.13.1.1.1 of Market Rule 1.

New Import Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.4 of Market Rule 1.

New Resource Offer Floor Price is defined in Section III.A.21.3.

NMPTC means Non-Market Participant Transmission Customer.

NMPTC Credit Threshold is described in Section V.A.2 of the ISO New England Financial Assurance Policy.

NMPTC Financial Assurance Requirement is an amount of additional financial assurance for Non-Market Participant Transmission Customers described in Section V.D of the ISO New England Financial Assurance Policy.

Node is a point on the New England Transmission System at which LMPs are calculated.

No-Load Fee is the amount, in dollars per hour, for a Generator Asset that must be paid to Market Participants with an Ownership Share in the Generator Asset for being scheduled in the New England Markets, in addition to the Start-Up Fee and price offered to supply energy, for each hour that the Generator Asset is scheduled in the New England Markets.

Nominated Consumption Limit is the consumption level specified by the Market Participant for a Dispatchable Asset Related Demand as adjusted in accordance with the provisions of Section III.13.7.5.1.3.

Non-Commercial Capacity is the capacity of a New Capacity Resource or an Existing Capacity Resource, or portion thereof, that has not achieved FCM Commercial Operation.

Non-Commercial Capacity Cure Period is the time period described in Section VII.D of the ISO New England Financial Assurance Policy.

Non-Commercial Capacity Financial Assurance Amount (Non-Commercial Capacity FA Amount) is the financial assurance amount held on Non-Commercial Capacity cleared in a Forward Capacity

Auction as calculated in accordance with Section VII.B.2 of the ISO New England Financial Assurance Policy.

Non-Designated Blackstart Resource Study Cost Payments are the study costs reimbursed under Section 5.3 of Schedule 16 of the OATT.

Non-Dispatchable Resource is any Resource that does not meet the requirements to be a Dispatchable Resource.

Non-Hourly Charges are defined in Section 1.3 of the ISO New England Billing Policy.

Non-Hourly Requirements are determined in accordance with Section III.A(ii) of the ISO New England Financial Assurance Policy, which is Exhibit 1A of Section I of the Tariff.

Non-Incumbent Transmission Developer is a Qualified Transmission Project Sponsor that: (i) is not currently a PTO; (ii) has a transmission project listed in the RSP Project List; and (iii) has executed a Non-Incumbent Transmission Developer Operating Agreement. “Non-Incumbent Transmission Developer” also includes a PTO that proposes the development of a transmission facility not located within or connected to its existing electric system; however, because such a PTO is a party to the TOA, it is not required to enter into a Non-Incumbent Transmission Developer Operating Agreement.

Non-Incumbent Transmission Developer Operating Agreement (or NTDOA) is an agreement between the ISO and a Non-Incumbent Transmission Developer in the form specified in Attachment O to the OATT that sets forth their respective rights and responsibilities to each other with regard to proposals for and construction of certain transmission facilities.

Non-Market Participant is any entity that is not a Market Participant.

Non-Market Participant Transmission Customer is any entity which is not a Market Participant but is a Transmission Customer.

Non-Municipal Market Participant is defined in Section II of the ISO New England Financial Assurance Policy.

Non-PTF Transmission Facilities (Non-PTF) are the transmission facilities owned by the PTOs that do not constitute PTF, OTF or MTF.

Non-Qualifying means a Market Participant that is not a Credit Qualifying Market Participant.

Notice of RBA is defined in Section 6.3.2 of the ISO New England Billing Policy.

Notification Time is the time required for a Generator Asset to synchronize to the system from the time a startup Dispatch Instruction is received from the ISO.

Northeastern Planning Protocol is the Amended and Restated Northeastern ISO/RTO Planning Coordination Protocol on file with the Commission and posted on the ISO website at the following URL: www.iso-ne.com/static-assets/documents/2015/07/northeastern_protocol_dmeast.doc.

NPCC is the Northeast Power Coordinating Council.

Obligation Month means a time period of one calendar month for which capacity payments are issued and the costs associated with capacity payments are allocated.

Offer Data means the scheduling, operations planning, dispatch, new Resource, and other data, including Generator Asset, Dispatchable Asset Related Demand, and Demand Response Resource operating limits based on physical characteristics, and information necessary to schedule and dispatch Generator Assets, Dispatchable Asset Related Demands, and Demand Response Resources for the provision or consumption of energy, the provision of other services, and the maintenance of the reliability and security of the transmission system in the New England Control Area, and specified for submission to the New England Markets for such purposes by the ISO.

Offered CLAIM10 is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM10 of the resource that represents the amount of TMNSR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource that has not been dispatched.

Offered CLAIM30 is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM30 of the resource that represents the amount of TMOR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource that has not been dispatched.

On-Peak Demand Resource is a type of Demand Capacity Resource and means installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource On-Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

Open Access Same-Time Information System (OASIS) is the ISO information system and standards of conduct responding to requirements of 18 C.F.R. §37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

Open Access Transmission Tariff (OATT) is Section II of the ISO New England Inc. Transmission, Markets and Services Tariff.

Operating Authority is defined pursuant to a MTOA, an OTOA, the TOA or the OATT, as applicable.

Operating Data means GADS Data, data equivalent to GADS Data, CARL Data, metered load data, or actual system failure occurrences data, all as described in the ISO New England Operating Procedures.

Operating Day means the calendar day period beginning at midnight for which transactions on the New England Markets are scheduled.

Operating Reserve means Ten-Minute Spinning Reserve (TMSR), Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

Operations Date is February 1, 2005.

OTF Service is transmission service over OTF as provided for in Schedule 20.

Other Transmission Facility (OTF) are the transmission facilities owned by Transmission Owners, defined and classified as OTF pursuant to Schedule 20, over which the ISO shall exercise Operating Authority in accordance with the terms set forth in the OTOA, rated 69 kV or above, and required to allow energy from significant power sources to move freely on the New England Transmission System. OTF classification shall be limited to the Phase I/II HVDC-TF.

Other Transmission Operating Agreements (OTOA) is the agreement(s) between the ISO, an OTO and/or the associated service provider(s) with respect to an OTF, which includes the HVDC Transmission Operating Agreement and the Phase I/II HVDC-TF Transmission Service Administration Agreement. With respect to the Phase I/II HVDC-TF, the HVDC Transmission Operating Agreement covers the rights and responsibilities for the operation of the facility and the Phase I/II HVDC-TF Transmission Service Administration Agreement covers the rights and responsibilities for the administration of transmission service.

Other Transmission Owner (OTO) is an owner of OTF.

Ownership Share is a right or obligation, for purposes of settlement, to a percentage share of all credits or charges associated with a Generator Asset or a Load Asset, where such facility is interconnected to the New England Transmission System.

Participant Expenses are defined in Section 1 of the Participants Agreement.

Participant Required Balance is defined in Section 5.3 of the ISO New England Billing Policy.

Participant Vote is defined in Section 1 of the Participants Agreement.

Participants Agreement is the agreement among the ISO, the New England Power Pool and Individual Participants, as amended from time to time, on file with the Commission.

Participants Committee is the principal committee referred to in the Participants Agreement.

Participating Transmission Owner (PTO) is a transmission owner that is a party to the TOA.

Passive DR Audit is the audit performed pursuant to Section III.13.6.1.5.4.

Passive DR Auditing Period is the summer Passive DR Auditing Period (June 1 to August 31) or winter Passive DR Auditing Period (December 1 to January 31) applicable to On-Peak Demand Resources and Seasonal Peak Demand Resources.

Payment is a sum of money due to a Covered Entity from the ISO.

Payment Default Shortfall Fund is defined in Section 5.1 of the ISO New England Billing Policy.

Permanent De-list Bid is a bid that may be submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource in the Forward Capacity Auction to permanently remove itself from the capacity market, as described in Section III.13.1.2.3.1.5 of Market Rule 1.

Phase I Transfer Credit is 40% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

Phase I/II HVDC-TF is defined in Schedule 20A to Section II of this Tariff.

Phase I/II HVDC-TF Transfer Capability is the transfer capacity of the Phase I/II HVDC-TF under normal operating conditions, as determined in accordance with Good Utility Practice. The “Phase I Transfer Capability” is the transfer capacity under normal operating conditions, as determined in accordance with Good Utility Practice, of the Phase I terminal facilities as determined initially as of the time immediately prior to Phase II of the Phase I/II HVDC-TF first being placed in service, and as adjusted thereafter only to take into account changes in the transfer capacity which are independent of any effect of Phase II on the operation of Phase I. The “Phase II Transfer Capability” is the difference between the Phase I/II HVDC-TF Transfer Capability and the Phase I Transfer Capability. Determinations of, and any adjustment in, Phase I/II HVDC-TF Transfer Capability shall be made by the ISO, and the basis for any such adjustment shall be explained in writing and posted on the ISO website.

Phase One Proposal is a first round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade, as applicable, by a Qualified Transmission Project Sponsor.

Phase II Transfer Credit is 60% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

Phase Two Solution is a second round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade by a Qualified Transmission Project Sponsor.

Planning Advisory Committee is the committee described in Attachment K of the OATT.

Planning and Reliability Criteria is defined in Section 3.3 of Attachment K to the OATT.

Planning Authority is an entity defined as such by the North American Electric Reliability Corporation.

Point(s) of Delivery (POD) is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available to the Receiving Party under the OATT.

Point of Interconnection shall have the same meaning as that used for purposes of Schedules 22, 23 and 25 of the OATT.

Point(s) of Receipt (POR) is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available by the Delivering Party under the OATT.

Point-To-Point Service is the transmission of capacity and/or energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Local Point-To-Point Service or OTF Service or MTF Service; and the transmission of capacity and/or energy from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Through or Out Service.

Policy Scenario is an Economic Study reference scenario that is described in Section 17.2(c) of Attachment K to the OATT.

Pool-Planned Unit is one of the following units: New Haven Harbor Unit 1 (Coke Works), Mystic Unit 7, Canal Unit 2, Potter Unit 2, Wyman Unit 4, Stony Brook Units 1, 1A, 1B, 1C, 2A and 2B, Millstone Unit 3, Seabrook Unit 1 and Waters River Unit 2 (to the extent of 7 megawatts of its Summer capability and 12 megawatts of its Winter capability).

Pool PTF Rate is the transmission rate determined in accordance with Schedule 8 to the OATT.

Pool RNS Rate is the transmission rate determined in accordance with paragraph (2) of Schedule 9 of Section II of the Tariff.

Pool-Scheduled Resources are described in Section III.1.10.2 of Market Rule 1.

Pool Supported PTF is defined as: (i) PTF first placed in service prior to January 1, 2000; (ii) Generator Interconnection Related Upgrades with respect to Category A and B projects (as defined in Schedule 11), but only to the extent not paid for by the interconnecting Generator Owner; and (iii) other PTF upgrades, but only to the extent the costs therefore are determined to be Pool Supported PTF in accordance with Schedule 12.

Pool Transmission Facility (PTF) means the transmission facilities owned by PTOs which meet the criteria specified in Section II.49 of the OATT.

Posting Entity is any Market Participant or Non-Market Participant Transmission Customer providing financial security under the provisions of the ISO New England Financial Assurance Policy.

Posture means an action of the ISO to deviate from the jointly optimized security constrained economic dispatch for Energy and Operating Reserves solution for a Resource produced by the ISO's technical software for the purpose of maintaining sufficient Operating Reserve (both online and off-line) or for the provision of voltage or VAR support.

Posturing Credits are the Real-Time Posturing NCPC Credits for Generators (Other Than Limited Energy Resources) Postured for Reliability and the Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability.

Power Purchaser is the entity that is purchasing the capacity and/or energy to be transmitted under the OATT.

Principal is (i) the sole proprietor of a sole proprietorship; (ii) a general partner of a partnership; (iii) a president, chief executive officer, chief operating officer or chief financial officer (or equivalent position) of an organization; (iv) a manager, managing member or a member vested with the management authority for a limited liability company or limited liability partnership; (v) any person or entity that has the power to exercise a controlling influence over an organization's activities that are subject to regulation by the

Federal Energy Regulatory Commission, the Securities and Exchange Commission, the Commodity Futures Trading Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; or (vi) any person or entity that: (a) is the direct owner of 10% or more of any class of an organization's equity securities; or (b) has directly contributed 10% or more of an organization's capital.

Profiled Load Assets include all Load Assets that are not directly metered by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP18, and some Load Assets that are measured by OP-18 compliant metering (as currently described in Section IV of OP-18) to which the Host Participant Assigned Meter Reader allocates non-PTF losses.

Project Sponsor is an entity seeking to have a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource participate in the Forward Capacity Market, as described in Section III.13.

Proxy De-List Bid is a type of bid used in the Forward Capacity Market.

Provisional Member is defined in Section I.68A of the Restated NEPOOL Agreement.

PTO Administrative Committee is the committee referred to in Section 11.04 of the TOA.

Public Policy Requirement is a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (e.g., municipal or county) government.

Public Policy Transmission Study is a study conducted by the ISO pursuant to the process set out in Section 4A.3 of Attachment K of the OATT, and consists of two phases: (i) an initial phase to produce a rough estimate of the costs and benefits of concepts that could meet transmission needs driven by public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

Public Policy Local Transmission Study is a study conducted by a PTO pursuant to the process set out in Section 1.6 of Attachment K Appendix 1 of the OATT, and consists of two phases: (i) an initial phase to produce an estimate of the costs and benefits of concepts that could meet transmission needs driven by

public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

Public Policy Transmission Upgrade is an addition and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Public Policy Transmission Upgrade PTF classification specified in the OATT, and has been included in the Regional System Plan and RSP Project List as a Public Policy Transmission Upgrade pursuant to the procedures described in Section 4A of Attachment K of the OATT.

Publicly Owned Entity is defined in Section I of the Restated NEPOOL Agreement.

Qualification Process Cost Reimbursement Deposit is described in Section III.13.1.9.3 of Market Rule 1.

Qualified Capacity is the amount of capacity a resource may provide in the summer or winter in a Capacity Commitment Period, as determined in the Forward Capacity Market qualification processes.

Qualified Generator Reactive Resource(s) is any generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

Qualified Non-Generator Reactive Resource(s) is any non-generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

Qualified Reactive Resource(s) is any Qualified Generator Reactive Resource and/or Qualified Non-Generator Reactive Resource that meets the criteria specified in Schedule 2 of the OATT.

Qualified Transmission Project Sponsor is defined in Sections 4B.2 and 4B.3 of Attachment K of the OATT.

Queue Position has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Rapid Response Pricing Asset is: (i) a Fast Start Generator; (ii) a Flexible DNE Dispatchable Generator; or (iii) a Binary Storage DARD with Offer Data specifying a Minimum Run Time and a Minimum Down Time not exceeding one hour each. A Rapid Response Pricing Asset shall also include a Fast Start Demand Response Resource for which the Market Participant's Offer Data meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; and (ii) Demand Response Resource Notification Time plus Demand Response Resource Start-Up Time does not exceed 30 minutes.

Rapid Response Pricing Opportunity Cost is the NCPC Credit described in Section III.F.2.3.10.

Rated means a Market Participant that receives a credit rating from one or more of the Rating Agencies, or, if such Market Participant is not rated by one of the Rating Agencies, then a Market Participant that has outstanding unsecured debt rated by one or more of the Rating Agencies.

Rating Agencies are Standard and Poor's (S&P), Moody's, and Fitch.

Rationing Minimum Limit is the MW quantity for a New Generating Capacity Resource or Existing Generating Capacity Resource below which an offer or bid may not be rationed in the Forward Capacity Auction, but shall not apply to supply offers or demand bids in a substitution auction as specified in Section III.13.2.8.2 and Section III.13.2.8.3.

RBA Decision is a written decision provided by the ISO to a Disputing Party and to the Chair of the NEPOOL Budget and Finance Subcommittee accepting or denying a Requested Billing Adjustment within twenty Business Days of the date the ISO distributes a Notice of RBA, unless some later date is agreed upon by the Disputing Party and the ISO.

Reactive Capability Audit is an audit that measures the ability of a Reactive Resource to provide or absorb reactive power to or from the transmission system at a specified real power output or consumption.

Reactive Resource is a device that dynamically adjusts reactive power output automatically in Real-Time over a continuous range, taking into account control system response bandwidth, within a specified voltage bandwidth in response to grid voltage changes. These resources operate to maintain a set-point voltage and include, but are not limited to, Generator Assets, Dispatchable Asset Related Demands that are part of an Electric Storage Facility, and dynamic transmission devices.

Reactive Supply and Voltage Control Service is the form of Ancillary Service described in Schedule 2 of the OATT.

Real-Time is a period in the current Operating Day for which the ISO dispatches Resources for energy and Regulation, designates Resources for Regulation and Operating Reserve and, if necessary, commits additional Resources.

Real-Time Adjusted Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Adjusted Load Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Commitment NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Congestion Revenue is defined in Section III.3.2.1(i) of Market Rule 1.

Real-Time Demand Reduction Obligation is defined in Section III.3.2.1(c) of Market Rule 1.

Real-Time Demand Reduction Obligation Deviation is defined in Section III.3.2.1(e) of Market Rule 1.

Real-Time Dispatch NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Energy Inventory is a component of the spot payment that a Market Participant may receive through the inventoried energy program, as described in Section III.K.3.2.1 of Market Rule 1.

Real-Time Energy Market means the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, and payment for losses for quantity deviations from the Day-Ahead Energy Market in the Operating Day and designation of and payment for provision of Operating Reserve in Real-Time.

Real-Time Energy Market Deviation Congestion Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market Deviation Energy Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market Deviation Loss Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market NCPC Credits are the Real-Time Commitment NCPC Credit and the Real-Time Dispatch NCPC Credit.

Real-Time External Transaction NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Generation Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Generation Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time High Operating Limit is the maximum output, in MW, of a Generator Asset that could be achieved, consistent with Good Utility Practice, in response to an ISO request for Energy (including pursuant to Section III.13.6.4 of Market Rule 1), for each hour of the Operating Day, as reflected in the Generator Asset's Offer Data. This value is based on real-time operating conditions and the physical operating characteristics and operating permits of the facility and must be submitted for all Generator Assets (other than Settlement Only Resources).

Real-Time Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Load Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Locational Adjusted Net Interchange is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Locational Adjusted Net Interchange Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Loss Revenue is defined in Section III.3.2.1(l) of Market Rule 1.

Real-Time Loss Revenue Charges or Credits are defined in Section III.3.2.1(m) of Market Rule 1.

Real-Time NCP Load Obligation is the maximum hourly value, during a month, of a Market Participant's Real-Time Load Obligation summed over all Locations, excluding exports, in kilowatts.

Real-Time Offer Change is a modification to a Supply Offer pursuant to Section III.1.10.9(b).

Real-Time Posturing NCPC Credit for Generators (Other Than Limited Energy Resources) Postured for Reliability is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Prices means the Locational Marginal Prices resulting from the ISO's dispatch of the New England Markets in the Operating Day.

Real-Time Reserve Charge is a Market Participant's share of applicable system and Reserve Zone Real-Time Operating Reserve costs attributable to meeting the Real-Time Operating Reserve requirement as calculated in accordance with Section III.10 of Market Rule 1.

Real-Time Reserve Clearing Price is the Real-Time TMSR, TMNSR or TMOR clearing price, as applicable, for the system and each Reserve Zone that is calculated in accordance with Section III.2.7A of Market Rule 1.

Real-Time Reserve Credit is a Market Participant's compensation associated with that Market Participant's Resources' Reserve Quantity For Settlement as calculated in accordance with Section III.10 of Market Rule 1.

Real-Time Reserve Designation is the amount, in MW, of Operating Reserve designated to a Resource in Real-Time by the ISO as described in Section III.1.7.19 of Market Rule 1.

Real-Time Reserve Opportunity Cost is defined in Section III.2.7A(b) of Market Rule 1.

Real-Time SATOA Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Synchronous Condensing NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time System Adjusted Net Interchange means, for each hour, the sum of Real-Time Locational Adjusted Net Interchange for a Market Participant over all Locations, in kilowatts.

Receiving Party is the entity receiving the capacity and/or energy transmitted to Point(s) of Delivery under the OATT.

Reference Level is defined in Section III.A.5.7 of Appendix A of Market Rule 1.

Regional Benefit Upgrade(s) (RBU) means a Transmission Upgrade that: (i) is rated 115kV or above; (ii) meets all of the non-voltage criteria for PTF classification specified in the OATT; and (iii) is included in the Regional System Plan as either a Reliability Transmission Upgrade or a Market Efficiency Transmission Upgrade identified as needed pursuant to Attachment K of the OATT. The category of RBU shall not include any Transmission Upgrade that has been categorized under any of the other categories specified in Schedule 12 of the OATT (e.g., an Elective Transmission Upgrade shall not also be categorized as an RBU). Any upgrades to transmission facilities rated below 115kV that were PTF prior to January 1, 2004 shall remain classified as PTF and be categorized as an RBU if, and for so long as, such upgrades meet the criteria for PTF specified in the OATT.

Regional Network Load is the load that a Network Customer designates for Regional Network Service under Part II.B of the OATT. The Network Customer's Regional Network Load shall include all load designated by the Network Customer (including losses). A Network Customer may elect to designate less than its total load as Regional Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Transmission Customer has elected not to designate a particular load at discrete Points of Delivery as Regional Network Load, the Transmission Customer is responsible for making separate arrangements under Part II.C of the OATT for any Point-To-Point Service that may be necessary for such non-designated load. A Network Customer's Monthly Regional Network Load shall be calculated in accordance with Section II.21.2 of the OATT.

Regional Network Service (RNS) is the transmission service over the PTF described in Part II.B of the OATT, including such service which is used with respect to Network Resources or Regional Network Load that is not physically interconnected with the PTF.

Regional Planning Dispute Resolution Process is described in Section 12 of Attachment K to the OATT.

Regional System Plan (RSP) is the plan developed under the process specified in Attachment K of the OATT.

Regional Transmission Service (RTS) is Regional Network Service and Through or Out Service as provided over the PTF in accordance with Section II.B, Section II.C, Schedule 8 and Schedule 9 of the OATT.

Regulation is the capability of a specific Resource with appropriate telecommunications, control and response capability to respond to an AGC SetPoint.

Regulation and Frequency Response Service is the form of Ancillary Service described in Schedule 3 of the OATT. The capability of performing Regulation and Frequency Response Service is referred to as automatic generation control (AGC).

Regulation Capacity is the lesser of five times the Automatic Response Rate and one-half of the difference between the Regulation High Limit and the Regulation Low Limit of a Resource capable of providing Regulation.

Regulation Capacity Requirement is the amount of Regulation Capacity required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

Regulation Capacity Offer is an offer by a Market Participant to provide Regulation Capacity.

Regulation High Limit is an offer parameter that establishes the upper bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

Regulation Low Limit is an offer parameter that establishes the lower bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

Regulation Market is the market described in Section III.14 of Market Rule 1.

Regulation Resources are those Alternative Technology Regulation Resources, Generator Assets, and Dispatchable Asset Related Demands that satisfy the requirements of Section III.14.2. Regulation Resources are eligible to participate in the Regulation Market.

Regulation Service is the change in output or consumption made in response to changing AGC SetPoints.

Regulation Service Requirement is the estimated amount of Regulation Service required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

Regulation Service Offer is an offer by a Market Participant to provide Regulation Service.

Related Person is defined pursuant to Section 1.1 of the Participants Agreement.

Related Transaction is defined in Section III.1.4.3 of Market Rule 1.

Reliability Administration Service (RAS) is the service provided by the ISO, as described in Schedule 3 of Section IV.A of the Tariff, in order to administer the Reliability Markets and provide other reliability-related and informational functions.

Reliability Committee is the committee whose responsibilities are specified in Section 8.2.3 of the Participants Agreement.

Reliability Markets are, collectively, the ISO's administration of Regulation, the Forward Capacity Market, and Operating Reserve.

Reliability Region means any one of the regions identified on the ISO's website. Reliability Regions are intended to reflect the operating characteristics of, and the major transmission constraints on, the New England Transmission System.

Reliability Transmission Upgrade means those additions and upgrades not required by the interconnection of a generator that are nonetheless necessary to ensure the continued reliability of the New England Transmission System, taking into account load growth and known resource changes, and include those upgrades necessary to provide acceptable stability response, short circuit capability and system voltage levels, and those facilities required to provide adequate thermal capability and local voltage levels that cannot otherwise be achieved with reasonable assumptions for certain amounts of generation being unavailable (due to maintenance or forced outages) for purposes of long-term planning studies. Good Utility Practice, applicable reliability principles, guidelines, criteria, rules, procedures and standards of ERO and NPCC and any of their successors, applicable publicly available local reliability criteria, and the ISO System Rules, as they may be amended from time to time, will be used to define the system facilities required to maintain reliability in evaluating proposed Reliability Transmission Upgrades. A Reliability Transmission Upgrade may provide market efficiency benefits as well as reliability benefits to the New England Transmission System.

Remittance Advice is an issuance from the ISO for the net Payment owed to a Covered Entity where a Covered Entity's total Payments exceed its total Charges in a billing period.

Remittance Advice Date is the day on which the ISO issues a Remittance Advice.

Renewable Technology Resource is a Generating Capacity Resource or an On-Peak Demand Resource that satisfies the requirements specified in Section III.13.1.1.1.7.

Re-Offer Period is the period that normally occurs between the posting of the of the Day-Ahead Energy Market results and 2:00 p.m. on the day before the Operating Day during which a Market Participant may submit revised Supply Offers, revised External Transactions, or revised Demand Bids associated with Dispatchable Asset Related Demands or, revised Demand Reduction Offers associated with Demand Response Resources.

Replacement Reserve is described in Part III, Section VII of ISO New England Operating Procedure No. 8.

Request for Alternative Proposals (RFAP) is the request described in Attachment K of the OATT.

Requested Billing Adjustment (RBA) is defined in Section 6.1 of the ISO New England Billing Policy.

Required Balance is an amount as defined in Section 5.3 of the Billing Policy.

Reseller is a MGTSA holder that sells, assigns or transfers its rights under its MGTSA, as described in Section II.45.1(a) of the OATT.

Reserve Adequacy Analysis is the analysis performed by the ISO to determine if adequate Resources are committed to meet forecasted load, Operating Reserve, and security constraint requirements for the current and next Operating Day.

Reserve Constraint Penalty Factors (RCPFs) are rates, in \$/MWh, that are used within the Real-Time dispatch and pricing algorithm to reflect the value of Operating Reserve shortages and are defined in Section III.2.7A(c) of Market Rule 1.

Reserve Quantity For Settlement is defined in Section III.10.1 of Market Rule 1.

Reserve Zone is defined in Section III.2.7 of Market Rule 1.

Reserved Capacity is the maximum amount of capacity and energy that is committed to the Transmission Customer for transmission over the New England Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II.C or Schedule 18, 20 or 21 of the OATT, as applicable. Reserved Capacity shall be expressed in terms of whole kilowatts on a sixty-minute interval (commencing on the clock hour) basis, or, in the case of Reserved Capacity for Local Point-to-Point Service, in terms of whole megawatts on a sixty-minute interval basis.

Resource means a Generator Asset, a Dispatchable Asset Related Demand, an External Resource, an External Transaction, a Demand Response Resource, a Settlement Only Distributed Energy Resource Aggregation, or a Demand Response Distributed Energy Resource Aggregation.

Restated New England Power Pool Agreement (RNA) is the Second Restated New England Power Pool Agreement, which restated for a second time by an amendment dated as of August 16, 2004 the New England Power Pool Agreement dated September 1, 1971, as the same may be amended and restated from time to time, governing the relationship among the NEPOOL members.

Rest-of-Pool Capacity Zone is a single Capacity Zone made up of the adjacent Load Zones that are neither export-constrained nor import-constrained.

Rest of System is an area established under Section III.2.7(d) of Market Rule 1.

Retail Delivery Point is the point on the transmission or distribution system at which the load of an end-use facility, which is metered and assigned a unique account number by the Host Participant, is measured to determine the amount of energy delivered to the facility from the transmission and distribution system. If an end-use facility is connected to the transmission or distribution system at more than one location, the Retail Delivery Point shall consist of the metered load at each connection point, summed to measure the net energy delivered to the facility in each interval.

Retirement De-List Bid is a bid to retire an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource from all New England Markets, as described in Section III.13.1.2.3.1.5.

Returning Market Participant is a Market Participant, other than an FTR-Only Customer or a Governance Only Member, whose previous membership as a Market Participant was involuntarily terminated due to a Financial Assurance Default or a payment default and, since returning, has been a Market Participant for less than six consecutive months.

Revenue Requirement is defined in Section IV.A.2.1 of the Tariff.

Reviewable Action is defined in Section III.D.1.1 of Appendix D of Market Rule 1.

Reviewable Determination is defined in Section 12.4(a) of Attachment K to the OATT.

RSP Project List is defined in Section 1 of Attachment K to the OATT.

RTEP02 Upgrade(s) means a Transmission Upgrade that was included in the annual NEPOOL Transmission Plan (also known as the “Regional Transmission Expansion Plan” or “RTEP”) for the year 2002, as approved by ISO New England Inc.’s Board of Directors, or the functional equivalent of such Transmission Upgrade, as determined by ISO New England Inc. The RTEP02 Upgrades are listed in Schedule 12B of the OATT.

RTO is a regional transmission organization or comparable independent transmission organization that complies with Order No. 2000 and the Commission’s corresponding regulation.

Same Reserve Zone Export Transaction is defined in Section III.1.10.7(f)(iii) of Market Rule 1.

Schedule, Schedules, Schedule 1, 2, 3, 4 and 5 are references to the individual or collective schedules to Section IV.A. of the Tariff.

Schedule 20A Service Provider (SSP) is defined in Schedule 20A to Section II of this Tariff.

Scheduling Service, for purposes of Section IV.A and Section IV.B of the Tariff, is the service described in Schedule 1 to Section IV.A of the Tariff.

Scheduling, System Control and Dispatch Service, for purposes of Section II of the Tariff, is the form of Ancillary Service described in Schedule 1 of the OATT.

Seasonal Claimed Capability is the summer or winter claimed capability of a Generator Asset or Generating Capacity Resource, and represents the maximum dependable load carrying ability of the asset or resource, excluding capacity required for station use.

Seasonal Claimed Capability Audit is the Generator Asset audit performed pursuant to Section III.1.5.1.3.

Seasonal DR Audit is the Demand Response Resource audit performed pursuant to Section III.1.5.1.3.1.

Seasonal Peak Demand Resource is a type of Demand Capacity Resource and shall mean installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource Seasonal

Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

Section III.1.4 Transactions are defined in Section III.1.4.2 of Market Rule 1.

Section III.1.4 Conforming Transactions are defined in Section III.1.4.2 of Market Rule 1.

Security Agreement is Attachment 1 to the ISO New England Financial Assurance Policy.

Selected Qualified Transmission Project Sponsor is the Qualified Transmission Project Sponsor that proposed the Phase Two Solution, Stage Two Solution, or Longer-Term Proposal that has been identified by the ISO as the preferred Phase Two Solution, Stage Two Solution, or Longer-Term Transmission Solution.

Selected Qualified Transmission Project Sponsor Agreement is the agreement between the ISO and a Selected Qualified Transmission Project Sponsor. The Selected Qualified Transmission Project Sponsor Agreement is provided in Attachment P to the OATT.

Self-Schedule is the action of a Market Participant in committing its Generator Asset or DARD, in accordance with applicable ISO New England Manuals, to provide service in an hour, whether or not in the absence of that action the Generator Asset or DARD would have been committed by the ISO to provide the service. For a Generator Asset, Self-Schedule is the action of a Market Participant in committing a Generator Asset to provide Energy in an hour at its Economic Minimum Limit, whether or not in the absence of that action the Generator Asset would have been committed by the ISO to provide the Energy. For a DARD, Self-Schedule is the action of a Market Participant in committing a DARD to consume Energy in an hour at its Minimum Consumption Limit, whether or not in the absence of that action the DARD would have been committed by the ISO to consume Energy. For an External Transaction, a Self-Schedule is a request by a Market Participant for the ISO to select the External Transaction regardless of the LMP. Demand Response Resources are not permitted to Self-Schedule.

Self-Supplied FCA Resource is described in Section III.13.1.6 of Market Rule 1.

Senior Officer means an officer of the subject entity with the title of vice president (or similar office) or higher, or another officer designated in writing to the ISO by that officer.

Service Agreement is a Transmission Service Agreement or an MPSA.

Service Commencement Date is the date service is to begin pursuant to the terms of an executed Service Agreement, or the date service begins in accordance with the sections of the OATT addressing the filing of unexecuted Service Agreements.

Services means, collectively, the Scheduling Service, EAS and RAS; individually, a Service.

Settlement Financial Assurance is an amount of financial assurance required from a Designated FTR Participant awarded a bid in an FTR Auction. This amount is calculated pursuant to Section VI.C of the ISO New England Financial Assurance Policy.

Settlement Only Distributed Energy Resource Aggregation (SODERA) is a type of Distributed Energy Resource Aggregation and is described in additional detail in Section III.6.6.

Settlement Only Resources are generators of less than 5 MW of maximum net output when operating at any temperature at or above zero degrees Fahrenheit, that meet the metering, interconnection and other requirements in ISO New England Operating Procedure No. 14 and that have elected Settlement Only Resource treatment as described in the ISO New England Manual for Registration and Performance Auditing.

Shortfall Funding Arrangement, as specified in Section 5.1 of the ISO New England Billing Policy, is a separate financing arrangement that can be used to make up any non-congestion related differences between amounts received on Invoices and amounts due for ISO Charges in any bill issued.

Short-Term is a period of less than one year.

Significantly Reduced Congestion Costs are defined in Section III.G.2.2 of Appendix G to Market Rule 1.

SMD Effective Date is March 1, 2003.

Solar High Limit is the estimated power output (MW) of a solar Generator Asset given the Real-Time solar and weather conditions, taking into account equipment outages, and absent any self-imposed reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

Solar Plant Future Availability is the forecasted Real-Time High Operating Limit of a solar Generator Asset, calculated in the manner described in the ISO Operating Documents.

Solutions Study is described in Section 4.2(b) of Attachment K to the OATT.

Special Constraint Resource (SCR) is a Resource that provides Special Constraint Resource Service under Schedule 19 of the OATT.

Special Constraint Resource Service is the form of Ancillary Service described in Schedule 19 of the OATT.

Specified-Term Blackstart Capital Payment is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Sponsored Policy Resource is a New Capacity Resource, each asset of which: receives a revenue source, other than revenues from ISO-administered markets, that is supported by a government-regulated rate, charge, or other regulated cost recovery mechanism, and; qualifies as a renewable, clean, zero carbon, or alternative energy asset under a renewable energy portfolio standard, clean energy standard, decarbonization or net-zero carbon standard, alternative energy portfolio standard, renewable energy goal, clean energy goal, or decarbonization or net-zero carbon goal enacted by federal or New England state statute, regulation, or executive or administrative order and as a result of which the asset receives the revenue source.

Stage One Proposal is a first round submission, as defined in Section 4A.6 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

Stage Two Solution is a second round submission, as defined in Section 4A.8 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

Stakeholder-Requested Scenario is an Economic Study reference scenario that is described in Section 17.2(d) of Attachment K to the OATT.

Standard Blackstart Capital Payment is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Start-of-Round Price is the highest price associated with a round of a Forward Capacity Auction as described in Section III.13.2.3.1 of Market Rule 1.

Start-Up Fee is the amount, in dollars, that must be paid for a Generator Asset to Market Participants with an Ownership Share in the Generator Asset each time the Generator Asset is scheduled in the New England Markets to start-up.

Start-Up Time is the time it takes the Generator Asset, after synchronizing to the system, to reach its Economic Minimum Limit and, for dispatchable Generator Assets, be ready for further dispatch by the ISO.

State Estimator means the computer model of power flows specified in Section III.2.3 of Market Rule 1.

State-identified Requirement refers to a legal requirement, mandate or policy of a New England state or local government that forms the basis for a Longer-Term Transmission Study request submitted to the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT.

Statements, for the purpose of the ISO New England Billing Policy, refer to both Invoices and Remittance Advices.

Static De-List Bid is a bid that may be submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource in the Forward Capacity Auction to remove itself from the capacity market for a one year period, as described in Section III.13.1.2.3.1.1 of Market Rule 1.

Station is one or more Existing Generating Capacity Resources consisting of one or more assets located within a common property boundary.

Station Going Forward Common Costs are the net costs associated with a Station that are avoided only by the clearing of the Static De-List Bids, the Permanent De-List Bids or the Retirement De-List Bids of all the Existing Generating Capacity Resources comprising the Station.

Station-level Blackstart O&M Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Station-level Specified-Term Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Station-level Standard Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Storage as Transmission-Only Asset (SATO) is electric storage equipment that: (1) is connected to or to be connected to Pool Transmission Facilities in the New England Transmission System at a voltage level of 115 kV or higher; (2) the ISO approved to be included in the Regional System Plan and RSP Project List as a regulated transmission solution and Pool Transmission Facility pursuant to the regional system planning processes in Attachment K of the OATT; and (3) is capable of receiving energy only from the Pool Transmission Facilities and storing the energy for later injection to the Pool Transmission Facilities.

Storage DARD is a DARD that participates in the New England Markets as part of an Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

[Substation Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.](#)

Summer ARA Qualified Capacity is described in Section III.13.4.2.1.2.1.1.1 of Market Rule 1.

Summer Capability Period means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Summer Capability Period is the period of June 1 through September 30.

Summer Intermittent Reliability Hours are defined in Section III.13.1.2.2.2.1(c) of Market Rule 1.

Supply Offer is a proposal to furnish energy at a Node or Regulation from a Resource that meets the applicable requirements set forth in the ISO New England Manuals submitted to the ISO by a Market Participant with authority to submit a Supply Offer for the Resource. The Supply Offer will be submitted pursuant to Market Rule 1 and applicable ISO New England Manuals, and include a price and information with respect to the quantity proposed to be furnished, technical parameters for the Resource, timing and other matters. A Supply Offer is a subset of the information required in a Market Participant's Offer Data.

Supply Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Supply Offer. Blocks of the Supply Offer in effect for each hour will be totaled to determine the quantity of Supply Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of "unavailable" for the entire day, that day will not contribute to the quantity of Supply Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Supply Offer Block-Hours.

Synchronous Condenser is a generator that is synchronized to the grid but supplying no energy for the purpose of providing Operating Reserve or VAR or voltage support.

System Condition is a specified condition on the New England Transmission System or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm MTF or OTF Service on the MTF or the OTF using the curtailment priority pursuant to Section II.44 of the Tariff or Curtailment of Local Long-Term Firm Point-to-Point Transmission Service

on the non-PTF using the curtailment priority pursuant to Schedule 21 of the Tariff. Such conditions must be identified in the Transmission Customer's Service Agreement.

System Impact Study is an assessment pursuant to Part II.B, II.C, II.G, Schedule 21, Schedule 22, Schedule 23, or Schedule 25 of the OATT of (i) the adequacy of the PTF or Non-PTF to accommodate a request for the interconnection of a new or materially changed generating unit or a new or materially changed interconnection to another Control Area or new Regional Network Service or new Local Service or an Elective Transmission Upgrade, and (ii) whether any additional costs may be required to be incurred in order to provide the interconnection or transmission service.

System Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

System Operator shall mean ISO New England Inc. or a successor organization.

System Operating Limit (SOL) has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

System-Wide Capacity Demand Curve is the demand curve used in the Forward Capacity Market as specified in Section III.13.2.2.

TADO is the total amount due and owing (not including any amounts due under Section 14.1 of the RNA) at such time to the ISO, NEPOOL, the PTOs, the Market Participants and the Non-Market Participant Transmission Customers, by all PTOs, Market Participants and Non-Market Participant Transmission Customers.

Tangible Net Worth is the value, determined in accordance with international accounting standards or generally accepted accounting principles in the United States, of all of that entity's assets less the following: (i) assets the ISO reasonably believes to be restricted or potentially unavailable to settle a claim in the event of a default (e.g., regulatory assets, restricted assets, and Affiliate assets), net of any matching liabilities, to the extent that the result of that netting is a positive value; (ii) derivative assets, net of any matching liabilities, to the extent that the result of that netting is a positive value; (iii) the amount at which the liabilities of the entity would be shown on a balance sheet in accordance with international accounting standards or generally accepted accounting principles in the United States; (iv) preferred

stock: (v) non-controlling interest; and (vi) all of that entity's intangible assets (e.g., patents, trademarks, franchises, intellectual property, goodwill and any other assets not having a physical existence), in each case as shown on the most recent financial statements provided by such entity to the ISO.

Technical Committee is defined in Section 8.2 of the Participants Agreement.

Ten-Minute Non-Spinning Reserve (TMNSR) is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Ten-Minute Non-Spinning Reserve Service is the form of Ancillary Service described in Schedule 6 of the OATT.

Ten-Minute Reserve Requirement is the combined amount of TMSR and TMNSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Ten-Minute Spinning Reserve (TMSR) is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Ten-Minute Spinning Reserve Requirement is the amount of TMSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Ten-Minute Spinning Reserve Service is the form of Ancillary Service described in Schedule 5 of the OATT.

Third-Party Sale is any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Regional Network Load or Local Network Load under the Regional Network Service or Local Network Service, as applicable.

Thirty-Minute Operating Reserve (TMOR) is a form of thirty-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Thirty-Minute Operating Reserve Service is the form of Ancillary Service described in Schedule 7 of the OATT.

Through or Out Rate (TOUT Rate) is the rate per hour for Through or Out Service, as defined in Section II.25.2 of the OATT.

Through or Out Service (TOUT Service) means Point-To-Point Service over the PTF provided by the ISO with respect to a transaction that goes through the New England Control Area, as, for example, a single transaction where energy or capacity is transmitted into the New England Control Area from New Brunswick and subsequently out of the New England Control Area to New York, or a single transaction where energy or capacity is transmitted into the New England Control Area from New York through one point on the PTF and subsequently flows over the PTF prior to passing out of the New England Control Area to New York, or with respect to a transaction which originates at a point on the PTF and flows over the PTF prior to passing out of the New England Control Area, as, for example, from Boston to New York.

Tie-Line Asset is a physical transmission tie-line, or an inter-state or intra-state border arrangement created according to the ISO New England Manuals and registered in accordance with the Asset Registration Process.

Total Available Amount is the sum of the available amount of the Shortfall Funding Arrangement and the balance in the Payment Default Shortfall Fund.

Total Blackstart Capital Payment is the annual compensation calculated under either Section 5.1 or Section 5.2 of Schedule 16 of the OATT, as applicable.

Total Blackstart Service Payments is monthly compensation to Blackstart Owners or Market Participants, as applicable, and as calculated pursuant to Section 5.6 of Schedule 16 to the OATT.

Total Reserve Requirement, which includes Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Total System Capacity is the aggregate capacity supply curve for the New England Control Area as determined in accordance with Section III.13.2.3.3 of Market Rule 1.

Transaction Unit (TU) is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers.

Transition Period: The six-year period commencing on March 1, 1997.

Transmission Charges, for the purposes of the ISO New England Financial Assurance Policy and the ISO New England Billing Policy, are all charges and payments under Schedules 1, 8 and 9 of the OATT.

Transmission Congestion Credit means the allocated share of total Transmission Congestion Revenue credited to each holder of Financial Transmission Rights, calculated and allocated as specified in Section III.5.2 of Market Rule 1.

Transmission Congestion Revenue is defined in Section III.5.2.5(a) of Market Rule 1.

Transmission Constraint Penalty Factors are described in Section III.1.7.5 of Market Rule 1.

Transmission Credit Limit is a credit limit, not to be used to meet FTR Requirements, established for each Market Participant in accordance with Section II.D and each Non-Market Participant Transmission Customer in accordance with Section V.B.2 of the ISO New England Financial Assurance Policy.

Transmission Credit Test Percentage is calculated in accordance with Section III.B.1(c) of the ISO New England Financial Assurance Policy.

Transmission Customer is any Eligible Customer that (i) executes, on its own behalf or through its Designated Agent, an MPSA or TSA, or (ii) requests in writing, on its own behalf or through its Designated Agent, that the ISO, the Transmission Owner, or the Schedule 20A Service Provider, as applicable, file with the Commission, a proposed unexecuted MPSA or TSA containing terms and conditions deemed appropriate by the ISO (in consultation with the applicable PTO, OTO or Schedule 20A Service Provider) in order that the Eligible Customer may receive transmission service under Section II of this Tariff. A Transmission Customer under Section II of this Tariff includes a Market Participant or a Non-Market Participant taking Regional Network Service, Through or Out Service, MTF Service, OTF Service, Ancillary Services, or Local Service.

Transmission Default Amount is all or any part of any amount of Transmission Charges due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due.

Transmission Default Period is defined in Section 3.4.f of the ISO New England Billing Policy.

Transmission Late Payment Account is defined in Section 4.2 of the ISO New England Billing Policy.

Transmission Late Payment Account Limit is defined in Section 4.2 of the ISO New England Billing Policy.

Transmission Late Payment Charge is defined in Section 4.1 of the ISO New England Billing Policy.

Transmission, Markets and Services Tariff (Tariff) is the ISO New England Inc. Transmission, Markets and Services Tariff, as amended from time to time.

Transmission Obligations are determined in accordance with Section III.A(vi) of the ISO New England Financial Assurance Policy.

Transmission Operating Agreement (TOA) is the Transmission Operating Agreement between and among the ISO and the PTOs, as amended and restated from time to time.

Transmission Owner means a PTO, MTO or OTO.

Transmission Provider is the ISO for Regional Network Service and Through or Out Service as provided under Section II.B and II.C of the OATT; Cross-Sound Cable, LLC for Merchant Transmission Service as provided under Schedule 18 of the OATT; the Schedule 20A Service Providers for Phase I/II HVDC-TF Service as provided under Schedule 20A of the OATT; and the Participating Transmission Owners for Local Service as provided under Schedule 21 of the OATT.

Transmission Requirements are determined in accordance with Section III.A(iii) of the ISO New England Financial Assurance Policy.

Transmission Security Analysis Requirement shall be determined pursuant to Section III.12.2.1.2.

Transmission Service Agreement (TSA) is the initial agreement and any amendments or supplements thereto: (A) in the form specified in either Attachment A or B to the OATT, entered into by the Transmission Customer and the ISO for Regional Network Service or Through or Out Service; (B) entered into by the Transmission Customer with the ISO and PTO in the form specified in Attachment A to Schedule 21 of the OATT; (C) entered into by the Transmission Customer with an OTO or Schedule 20A Service Provider in the appropriate form specified under Schedule 20 of the OATT; or (D) entered into by the Transmission Customer with a MTO in the appropriate form specified under Schedule 18 of the OATT. A Transmission Service Agreement shall be required for Local Service, MTF Service and OTF Service, and shall be required for Regional Network Service and Through or Out Service if the Transmission Customer has not executed a MPSA.

Transmission Upgrade(s) means an upgrade, modification or addition to the PTF that becomes subject to the terms and conditions of the OATT governing rates and service on the PTF on or after January 1, 2004. This categorization and cost allocation of Transmission Upgrades shall be as provided for in Schedule 12 of the OATT.

Transitional Cluster Study has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Transitional CNR Group Study has the meaning specified in Section I of Schedule 22, Section I of 23, and Section I of 25 of the OATT.

UDS is unit dispatch system software.

Unconstrained Export Transaction is defined in Section III.1.10.7(f)(iv) of Market Rule 1.

Uncovered Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Uncovered Transmission Default Amounts are defined in Section 3.4.f of the ISO New England Billing Policy.

Unrated means a Market Participant that is not a Rated Market Participant.

Unsecured Covered Entity is, collectively, an Unsecured Municipal Market Participant and an Unsecured Non-Municipal Covered Entity.

Unsecured Municipal Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Municipal Market Participant is defined in Section 3.3(h) of the ISO New England Billing Policy.

Unsecured Municipal Transmission Default Amount is defined in Section 3.4.f of the ISO New England Billing Policy.

Unsecured Non-Municipal Covered Entity is a Covered Entity that is not a Municipal Market Participant or a Non-Market Participant Transmission Customer and has a Market Credit Limit or Transmission Credit Limit of greater than \$0 under the ISO New England Financial Assurance Policy.

Unsecured Non-Municipal Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Non-Municipal Transmission Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Transmission Default Amounts are, collectively, the Unsecured Municipal Transmission Default Amount and the Unsecured Non-Municipal Transmission Default Amount.

Unsettled FTR Financial Assurance is an amount of financial assurance required from a Designated FTR Participant as calculated pursuant to Section VI.B of the ISO New England Financial Assurance Policy.

Updated Measurement and Verification Plan is an optional Measurement and Verification Plan that may be submitted as part of a subsequent qualification process for a Forward Capacity Auction prior to the beginning of the Capacity Commitment Period of the On-Peak Demand Resource or Seasonal Peak Demand Response project. The Updated Measurement and Verification Plan may include updated project

specifications, measurement and verification protocols, and performance data as described in Section III.13.1.4.3.1.2 of Market Rule 1 and the ISO New England Manuals.

VAR CC Rate is the CC rate paid to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

VAR Payment is the payment made to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

VAR Service is the provision of reactive power voltage support to the New England Transmission System by a Qualified Reactive Resource or by other generators that are dispatched by the ISO to provide dynamic reactive power as described in Schedule 2 of the OATT.

Virtual Cap is \$2,000/MWh.

Virtual Requirements are determined in accordance with Section III.A(iv) of the ISO New England Financial Assurance Policy.

Volt Ampere Reactive (VAR) is a measurement of reactive power.

Volumetric Measure (VM) is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers under Section IV.A of the Tariff.

Wind High Limit is the estimated power output (MW) of a wind Generator Asset given the Real-Time weather conditions, taking into account equipment outages, and absent any self-imposed reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

Wind Plant Future Availability is the forecasted Real-Time High Operating Limit of a wind Generator Asset, calculated in the manner described in the ISO Operating Documents.

Winter ARA Qualified Capacity is described in Section III.13.4.2.1.2.1.1.2 of Market Rule 1.

Winter Capability Period means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Winter Capability Period is the period October 1 through May 31.

Winter Intermittent Reliability Hours are defined in Section III.13.1.2.2.2.2(c) of Market Rule 1.

Year means a period of 365 or 366 days, whichever is appropriate, commencing on, or on the anniversary of March 1, 1997. Year One is the Year commencing on March 1, 1997, and Years Two and higher follow it in sequence.

Zonal Price is calculated in accordance with Section III.2.7 of Market Rule 1.

Zonal Capacity Obligation is calculated in accordance with Section III.13.7.5.2 of Market Rule 1.

Zonal Reserve Requirement is the combined amount of TMSR, TMNSR, and TMOR required for a Reserve Zone as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

II.48 Interconnection Service Capabilities

II.48.1 Establishing CNR Capability and CNI Capability

~~(a)~~ **(a) CNR Capability shall be established as follows:** Section 5.2.3 of Schedule 22 and Section 5.2.3 1.6.4.3 of Schedule 23 of this OATT describe the establishment of CNR Capability for a Generating Facility that was treated as an Existing Generating Capacity Resource in the fourth Forward Capacity Auction. For a Generating Facility newly obtaining or increasing CNR Interconnection Service in the fourth Forward Capacity Auction ~~or~~ through Forward Capacity Market activities prior to September 4, 2024, thereafter, summer CNR Capability shall be established as the highest MW quantity of Capacity Supply Obligation obtained by the Generating Capacity Resource for the summer period and winter CNR Capability shall be established as the higher of (1) the highest MW quantity of Capacity Supply Obligation obtained by the associated Generating Capacity Resource for the winter period and (2) the Generating Facility's summer CNR Capability multiplied by the ratio of the Generating Capacity Resource's winter Qualified Capacity to summer Qualified Capacity for the auction in which the entry occurred. Commencing September 4, 2024, the summer and winter CNR Capability for a Generating Facility shall be established as the amounts requested in the Generating Facility's Interconnection Request, for which all of the requirements in the Interconnection Procedures have been completed, and which shall not exceed the

~~At the time of its establishment pursuant to the preceding paragraph, a Generating Facility's CNR Capability shall not exceed its~~ maximum net MW electrical output at the Point of Interconnection at an ambient temperature at or above 90 degrees F for summer and at or above 20 degrees F for winter.

Notwithstanding the requirements contained in this section, a Generating Facility that did not secure a Capacity Supply Obligation prior to September 4, 2024, may establish CNR Interconnection Service through the process described in Section III.13.A.2 - Interim Reconfiguration Auction Qualification, conducted prior to January 1, 2025, provided that the Generating Facility (1) has a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before July 1, 2024 and (2) has a Commercial Operation Date prior to June 1, 2028.

~~(b)~~ **(b) CNI Capability shall be established as follows:** Summer and winter CNI Capability for an External ETU with CNI Interconnection Service pursuant to Schedule 25 of this OATT shall be established as the amounts requested in the External ETU's Interconnection Request for which all of the requirements of the interconnection process have been completed, shall be established as the total

~~MW quantity of Capacity Supply Obligation(s) obtained by its associated New Import Capacity Resource(s) in the summer and winter periods, respectively.~~

Notwithstanding the requirements contained in this section, an External ETU that did not secure a Capacity Supply Obligation prior to September 4, 2024, may establish CNI Interconnection Service through the process described in Section III.13.A.2 - Interim Reconfiguration Auction Qualification, conducted prior to January 1, 2025, provided that the External ETU (1) has a completed System Impact Study or Interconnection Agreement establishing NI Interconnection Service on or before July 1, 2024.

At the time of its establishment pursuant to the preceding paragraph, the CNI Capability shall not exceed the maximum net MW electrical capability at the Point of Interconnection and shall not exceed applicable seasonal equipment ratings determined pursuant to industry standards and consistent with the specifications described in ISO New England Planning and Operating Procedures.

II.48.2 Establishing NR Capability and NI Capability

(a) NR Capability shall be established in the manner described in Schedules 22 and 23 of this OATT.

~~Sas follows: Section 5.2.4 of Schedule 22 and Section 1.6.4.4 of Schedule 23 of this OATT describe the establishment of NR Capability for a Generating Facility that was treated as an Existing Generating Capacity Resource in the fourth Forward Capacity Auction. In all other cases, summer and winter NR Capability for a Generating Facility shall be established as the Generating Facility's maximum net MW electrical output at the Point of Interconnection at an ambient temperature at or above 50 degrees F for summer and at or above 0 degrees F for winter. A Generating Facility's summer and winter NR Capability shall be equal to or greater than its summer and winter CNR Capability, respectively.~~

(b) NI Capability shall be established as follows: For an External ETU with NI Interconnection Service pursuant to Schedule 25 of this OATT, summer and winter NI Capability shall be established as the maximum net MW electrical capability at the Point of Interconnection and shall not exceed applicable seasonal equipment ratings determined pursuant to industry standards and consistent with the specifications described in ISO New England Planning and Operating Procedures. An External ETU's

summer and winter NI Capability shall be equal to or greater than its summer and winter CNI Capability, respectively.

II.48.3 Reductions to CNR Capability and CNI Capability: CNR Capability and CNI Capability shall be reduced as follows upon partial or full exit from the Forward Capacity Market as a result of any of the following actions: (1) a voluntary or mandatory termination pursuant to Section III.13.3.4A of the Tariff results in a reduction to summer and winter CNR Capability (or summer and winter CNI Capability) equal to the respective reduction to summer and winter Qualified Capacity described in III.13.3.4A; ~~(2) the failure of the Import Capacity Resource(s) associated with an External ETU to offer into a Forward Capacity Auction in a MW quantity equal to the CNI Capability of the External ETU, as described in Section III.13.1.3 of the Tariff, results in a reduction to summer and winter CNI Capability equal to the respective reduction to summer and winter Capacity Network Import Interconnection Service described in Section III.13.1.3;~~ (2)(3) a failure to operate commercially for a period of three calendar years resulting in retirement pursuant to Section III.13.2.5.2.5.3(d) of the Tariff results in a reduction of summer and winter CNR Capability (or summer and winter CNI Capability) to zero; ~~(4)3~~ a full exit from the Forward Capacity Market as the result of the operation of a Retirement De-List Bid or a Permanent De-List Bid, described in Section III.13.2.5.2.5.3 of the Tariff, and/or a substitution auction demand bid, described in Section III.13.2.8 of the Tariff, results in a reduction of summer and winter CNR Capability (or summer and winter CNI Capability) to zero; and a partial exit from the Forward Capacity Market as the result of the operation of a Retirement De-List Bid or a Permanent De-List Bid and/or a substitution auction demand bid results in a reduction of CNR Capability (or CNI Capability) as described below.

(a) ~~—~~Summer CNR/CNI Capability Following Partial Exit Resulting From De-List Bid and/or

Substitution Auction Demand Bid: Following the partial permanent exit from the Forward Capacity Market of a Generating Capacity Resource (or an Import Capacity Resource associated with an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the summer CNR Capability of the associated Generating Facility (or the summer CNI Capability of the associated External ETU) shall be reduced to equal (1) the associated summer Qualified Capacity (or, where there is more than one Import Capacity Resource associated with an External ETU, the sum of the associated summer Qualified Capacities) for the Forward Capacity Auction in which the partial exit occurred minus (2) the MW quantity that exited the Forward Capacity Market.

(b) Winter CNR/CNI Capability Following Partial Exit Resulting From De-List Bid and/or

Substitution Auction Demand Bid: Following the partial permanent exit from the Forward Capacity

Market of a Generating Capacity Resource (or an Import Capacity Resource associated with an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the winter CNR Capability of the associated Generating Facility (or the winter CNI Capability of the associated External ETU) shall be reduced to equal (1) the Generating Facility's summer CNR Capability (or the External ETU's summer CNI Capability) reduced as described in subsection (a) of this Section II.48.3 multiplied by (2) the ratio of the associated winter Qualified Capacity (or, where there is more than one Import Capacity Resource associated with an External ETU, the sum of the associated winter Qualified Capacities) to the associated summer Qualified Capacity (or, where there is more than one Import Capacity Resource associated with an External ETU, the sum of the associated summer Qualified Capacities) for the Forward Capacity Auction in which the partial exit occurred; provided that a different winter CNR Capability value may be established to account for winter capability remaining after the removal of summer capability if the ISO determines that engineering information submitted no later than 10 calendar days after the conclusion of the Forward Capacity Auction supports the use of the different value.

II.48.4 Reductions to NR Capability and NI Capability: NR Capability and NI Capability shall be reduced as follows for Generating Facilities and External ETUs as a result of any of the following actions:

(1) a partial or full voluntary retirement results in partial or full reduction of NR Capability or NI Capability; (2) a failure to operate commercially for a period of three calendar years (as described in Section III.13.2.5.2.5.3(d) of the Tariff) results in a reduction of NR Capability or NI Capability to zero; (3) a full retirement of a Generating Facility or an External ETU as the result of the operation of a Retirement De-List Bid or an unconditional Permanent De-List Bid (as described in Section III.13.1.2.4.1(a) and Section III.13.2.5.2.5.3 of the Tariff) and/or a substitution auction demand bid (as described in Section III.13.2.8 of the Tariff) results in a reduction of NR Capability or NI Capability to zero; and a partial retirement as the result of the operation of a Retirement De-List Bid or an unconditional Permanent De-List Bid and/or a substitution auction demand bid results in a reduction of NR Capability or NI Capability as described below.

(a) Summer NR/NI Capability Following Partial Retirement Resulting From De-List Bid and/or Substitution Auction Demand Bid: Following the partial retirement of a Generating Facility (or an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the summer NR Capability of the Generating Facility (or summer NI Capability of the External ETU) shall be reduced to equal (1) the Generating Facility's summer CNR Capability (or the External ETU's summer CNI Capability) reduced as described in subsection (a) of Section II.48.3 multiplied

by (2) the ratio of the Generating Facility's summer NR Capability (or the External ETU's summer NI Capability) prior to the Forward Capacity Auction to the Generating Facility's summer CNR Capability (or the External ETU's summer CNI Capability) prior to the Forward Capacity Auction.

(b) Winter NR/NI Capability Following Partial Retirement Resulting From De-List Bid and/or

Substitution Auction Demand Bid: Following the partial retirement of a Generating Facility (or an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the winter NR Capability of the Generating Facility (or winter NI Capability of the External ETU) shall be reduced to equal (1) the Generating Facility's summer NR Capability (or the External ETU's summer NI Capability) reduced as described in subsection (a) of this Section II.48.4 multiplied by (2) the ratio of the Generating Facility's winter NR Capability (or the External ETU's winter NI Capability) prior to the Forward Capacity Auction to the Generating Facility's summer NR Capability (or the External ETU's summer NI Capability) prior to the Forward Capacity Auction; provided that a different winter NR Capability value may be established to account for winter capability remaining after the removal of summer capability if the ISO determines that engineering information submitted no later than 10 calendar days after the conclusion of the Forward Capacity Auction supports the use of the different value.

However, if the resulting winter NR Capability (or winter NI Capability) is less than the Generating Facility's winter CNR Capability (or External ETU's winter CNI Capability), the winter NR Capability (or winter NI Capability) will be set equal to the winter CNR Capability (or winter CNI Capability).

SCHEDULE 11
GENERATOR INTERCONNECTION RELATED UPGRADE AND ELECTIVE
TRANSMISSION INTERCONNECTION RELATED UPGRADE COSTS

- (1) Classification of Generating Projects. The treatment for purposes of this OATT of the Generator Interconnection Related Upgrade costs with respect to the facilities needed for the interconnection of a particular new or modified generating unit project in accordance with Section II.47 of this OATT depends on whether the project is a Category A Project, a Category B Project or a Category C Project, as follows:

- (a) A Category A Project is one whose Generator Owner committed to pay for upgrade costs on or after October 1, 1998 and prior to October 29, 1998 and has filed a petition with the Commission requesting that the costs associated with the interconnection of its generation project be determined in accordance with Schedule 11 of this OATT, as evidenced either by the filing of an executed Transmission Service Agreement or by the filing of an unexecuted Transmission Service Agreement.
- (b) A Category B Project is any one whose Generator Owner committed to pay for upgrade costs on or after October 29, 1998 and prior to June 22, 1999, as evidenced either by the filing of an executed Transmission Service Agreement or by the filing of an unexecuted Transmission Service Agreement. To the extent not otherwise covered by the preceding sentence, a Category B Project includes any one (other than a Category A Project) on which the Generator Owner had expended at least \$5,000,000, including amounts due under irrevocable commitments, as of June 22, 1999. Category B Projects are those projects listed as Category A Projects in Section 1(a) of this Schedule 11, but no longer qualify as Category A Projects, that had expended at least \$5,000,000 (including amounts due under irrevocable commitments) as of June 22, 1999, as reasonably determined by the ISO, as well as the following projects:

Sithe, Mystic Station Expansion

Sithe Edgar Station Expansion, Fore River

Sithe, West Medway

PG&E, Generating Lake Road Generating

PDC, Milford Power
PDC, Meriden Power
Reliant Energy, Hope Rhode Island
IDC FPL, Bellingham
Constellation, Merrimack (Nickel Hill) Energy Project
SEI, Canal Re-powering
ANP, Bellingham
ANP, Blackstone
Cabot, Island End
Calpine, Westbrook Power
HQ, Bucksport
AES, Londonderry
ConEd, Newington
Mirant, Kendall Repowering Project

- (c) A Category C Project is any project which is not a Category A Project or a Category B Project.
- (2) Direct Interconnection Transmission Costs. Direct Interconnection Transmission Costs shall mean the cost of facilities constructed for sole use of the Generator Owner that are not PTF. One hundred percent of Direct Interconnection Transmission Costs shall be the responsibility of the Generator Owner whether the Generator Owner's project is a Category A Project, a Category B Project or a Category C Project.
- (3) Treatment of Category A Project Transmission Costs. The allocation of costs of Generator Interconnection Related Upgrades for Category A Projects will be determined as follows:
- (d) One-half of the Shared Amount (as defined below) of the capital cost of the PTF upgrade shall constitute Pool Supported PTF and be included in Annual Transmission Revenue Requirements under Attachment F to this OATT. The Generator Owner shall be obligated to pay, in addition to the Direct Interconnection Transmission Costs, the other half of the Shared Amount of the capital cost of the PTF upgrade and all of the capital costs in excess of the Shared Amount, and any applicable tax gross-up amounts, and such amounts to be paid by the Generator Owner shall not be included in Annual Transmission

Revenue Requirements under Attachment F to this OATT. Following completion of the construction or modification of the Generator Interconnection Related Upgrade, the Generator Owner shall be obligated to pay its pro rata share of all of the annual costs (including cost of capital, federal and state income taxes, O&M and A&G expenses, annual property taxes and other related costs) which are allocable to such upgrade, pursuant to the interconnection agreement with the individual PTO or its designee which is responsible for the construction or modification, and such agreement may be filed with the Commission by the PTO, either signed or unsigned, on its own or at the request of the Generator Owner.

- (e) In determining the cost responsibilities related to a Generator Interconnection Related Upgrade to PTF, the ISO may determine that all or a portion of the proposed facilities exceed regional system, regulatory or other public requirements. In such a case, the ISO shall determine the amount of the excess costs of the Generator Interconnection Related Upgrade which shall be borne by the entity which is responsible for requiring such excess costs, and the excess costs shall not be included in the calculation of the Shared Amount.
- (f) The Shared Amount of the capital cost of the Generator Interconnection Related Upgrade of PTF shall be initially determined as of the time that the System Impact Study agreement is executed by all parties and the Generator Owner has paid the cost of the study (such initial determination to be based on the estimated cost of the Generator Interconnection Related Upgrade, subject to later adjustment as set forth below) subject to truing up the KW element of the following formula upon completion of the Generator Interconnection Upgrade, and shall be the lesser of (1) the full actual capital cost of the Generator Interconnection Related Upgrade of PTF (excluding any costs which are determined to be excess costs in accordance with paragraph (b) above) or (2) the amount determined in accordance with the following formula:

$$P = (KW \times R \times 0.50) / C$$

in which:

P is the maximum amount to be shared;

- KW in the case of a generating unit, is the actual demonstrated net capability of the new generating unit or increase in the capacity of an existing generating unit corrected to 50°F in kilowatts. If winter operating conditions are shown in the System Impact Study and/or application under Section 3.9 of Section I of the Transmission, Markets and Services Tariff to require additional transmission reinforcements beyond those reinforcements required for summer operating conditions, the net capability of the unit will be corrected to an ambient air temperature of 0°F;
- R is the Pool PTF Rate in effect on the Compliance Effective Date, which is \$15.57 per kilowatt year, adjusted to reflect compliance with the April 5, 1999 Settlement Agreement, approved by the Commission by order dated July 30, 1999 in Docket Nos. OA97-237-000, et al.; and
- C is the weighted average carrying charge factor of all of the PTOs which own PTF, determined, as of the Compliance Effective Date, in accordance with Attachment F to the OATT, which is 15.87 percent, adjusted to reflect compliance with the April 5, 1999 Settlement Agreement, approved by the Commission by order dated July 30, 1999 in Docket Nos. OA97-237-000, et al.

(g) All payments required hereunder shall be determined initially on an estimated basis, and then adjusted after the appropriate portion of the construction or modification costs has been reflected in OATT rates in the first adjustment of OATT rates after the upgrade has been placed in commercial operation.

(h) The provisions in this Section (3) with respect to allocation of costs for Generator Interconnection Related Upgrades of PTF for Category A projects are subject to further clarifications and/or modifications to reflect the outcome of proceedings in Commission Docket Nos. ER98-3853 (including any court appeals) and EL00-62-000, et al., and further Commission orders with respect thereto.

(4) Treatment of Category B Project Transmission Costs. The costs of Generator Interconnection Related Upgrades in connection with a Category B Project shall be allocated in the same way as Generator Interconnection Related Upgrades for Category A projects.

- (5) Treatment of Category C Project Transmission Costs. If a Generator Interconnection Related Upgrade or an Elective Transmission Upgrade Interconnection Related Upgrade (collectively, “Upgrade”) is required in order to satisfy the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard (or its predecessor standard) (collectively, “Interconnection Standards”) in connection with a Category C Project, the Generator Owner or Elective Transmission Upgrade Interconnection Customer (“ETU IC”), as applicable, shall be obligated to pay its share ~~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 the ISO determines that a particular 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, as detailed in the ISO New England Planning Procedures.

The cost responsibility for upgrades identified as being needed to support requests for Regional Transmission Service under Sections II.19 and II.34 of this OATT shall be determined and allocated to the requesting Transmission Customer in accordance with the rules below.

(i) Upgrades that are Cluster Enabling Transmission Upgrades (“CETU”)

If the Upgrade consists of ~~Interconnecting Transmission Owner’s Interconnection Facilities, Network Upgrades, or Distribution Upgrades, including~~ a Cluster Enabling Transmission Upgrade, that ~~were was~~ identified under a CRPS Clustering and ~~are is~~ not included in Direct Interconnection Transmission Costs, then the costs to be paid by each Generator Owner or ETU IC (that is not the ETU IC for an ETU that is taking the place of a CETU, or portion thereof, pursuant to Section ~~4.2.3.4~~ 7.3 of Schedule 22, Section ~~4.5.3.3.3.47.3~~ of Schedule 23, or Section ~~4.2.3.47.3~~ of Schedule 25, Section II of the Tariff) with an Interconnection Request included in the ~~eCluster~~ that requires the CETU to meet the applicable Interconnection Standard shall be the total costs of such Upgrade multiplied by the ratio of the Generator Owner or ETU IC’s respective distribution impact divided by the total distribution impact of all the Interconnection Requests in the entire eCluster that require the CETU based on the following distribution factor cost allocation methodology.

Distribution Factor Cost Allocation Methodology: The distribution factor is the measure of responsiveness or change in electrical loading on system facilities due to a change in electric power transfer from one part of the electric system to another, expressed in percent of the change in power transfer. The calculation of the distribution factor ~~for each~~ of the ~~eligible~~ Upgrades identified as a CETU shall: (i) use the final Transitional Cluster Study case or final Cluster Study case, as applicable, CSIS Study Case for summer peak load conditions; (ii) use the pre-contingency condition (i.e., no contingencies will be modeled); and, (iii) be conducted using a transfer from the injection point associated with the respective Generator Owner or ETU IC's facility to New England Control Area load. The distribution impact of each Generator Owner or ETU IC with an Interconnection Request included in the ~~e~~Cluster that requires the CETUs shall be determined by multiplying the Generator Owner or ETU IC's respective distribution factor, as calculated above, by the Summer Network Resource Capability in the case of a Generating Facility or the absolute value of the higher of the requested bidirectional capability that results in a positive distribution factor in the case of an Elective Transmission Upgrade. The total distribution impact of all the Interconnection Requests in the Cluster that require the CETU ~~the entire cluster~~ shall be the sum of all of the individual distribution impacts for the Generator Owners and ETU ICs with Interconnection Requests included in the ~~e~~Cluster that require the CETU.

———Where cost allocation for an Upgrade identified as necessary for Interconnection Requests that require a CETU ~~identified under Clustering~~ cannot be determined using the distribution factor cost allocation methodology (e.g., a dynamic reactive device, or a switching station), each Generator Owner or ETU IC with an Interconnection Request included in the ~~e~~Cluster that requires the CETU to meet the applicable Interconnection Standard shall be obligated to pay the costs of such Upgrade based upon its pro rata megawatt share of the Interconnection Requests included in the ~~e~~Cluster ~~study~~ to be determined using the Summer Network Resource Capability in the case of a Generating Facility and the absolute value of the higher of the requested bidirectional capability in the case of an Elective Transmission Upgrade.

(ii) Non-CETU Upgrades

- (1) For Network Upgrades identified in the Transitional Cluster Study, a Cluster Study or Cluster Restudy, the share of costs to be paid by each Generator Owner or ETU IC with an Interconnection Request included in the Cluster shall be as follows:
 - (a) Substation Network Upgrades, including switching stations, shall be allocated first per capita for each Interconnection Facility interconnecting to the substation at the same voltage level, and then per capita to each Generating Facility or ETU sharing the Interconnection Facility.
 - (b) System Network Upgrades shall be allocated based on the proportional impact of each individual Generating Facility or ETU in the Cluster -on the need for a specific Network Upgrade, as determined by a proportional impact analysis conducted by the ISO in accordance with the method set forth in this Schedule 11 and the ISO New England Planning Procedures.
 - (i) System Network Upgrades comprising new or upgrades to transmission lines shall be allocated to each Generator Owner or ETU IC that has a greater than three percent distribution impact (in the pre-upgrade case) for the most limiting contingency for each identified overload using a proportional impact based on: (a) the requested summer Network Resource Capability or Capacity Network Resource Capability in the case of a Generating Facility or the equivalent capability of an ETU and (b) the higher of the Network Resource case impact or the Capacity Network Resource impact. The distribution factor for the Network Resource case shall be calculated by transferring from the Generating Facility or ETU to New England load under the most limiting contingency condition, and for the Capacity Network Resource case, by transferring from the Generating Facility or ETU to the Load Zone under the most limiting contingency condition.
 - (ii) System Network Upgrades comprising reactive devices or any substation additions beyond the Point of Interconnection shall be allocated based on a proportional impact method and threshold, as detailed in the ISO New England Planning Procedures.

(iii) Interconnection Facilities

- (1) The costs of any needed Interconnection Facilities that are not part of a CETU in the Transitional Cluster Study, a Cluster Study or Cluster Restudy will be directly assigned to each Generator Owner and ETU IC using such facilities. Where Generator Owners and ETU ICs in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities and ETUs sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility and ETU basis), unless the Generator Owners and ETU ICs mutually agree to a different cost sharing arrangement and communicate that arrangement in writing to ISO and applicable PTO(s).

Following completion of the construction or modification, the Generator Owner or ETU IC shall be obligated to pay ~~all (or, in the case of an Upgrade identified under Clustering, its share)~~ of the annual costs (including federal and state income taxes, O&M and A&G expenses, annual property taxes and other related costs) which are allocable to the Upgrade, pursuant to the interconnection agreement (or support agreement) with the individual PTO or its designee which is responsible for the construction or modification, and such agreement may be filed with the Commission by the PTO, either signed or unsigned, on its own or at the request of the Generator Owner or ETU IC.

~~A Generator Owner with a Generating Facility or ETU IC with an Elective Transmission Upgrade that achieves Commercial Operation within ten years of the In Service Date of a Cluster Enabling Transmission Upgrade (to be referred to as a “Late Comer Project”) shall reimburse the entities (i.e., Generator Owner or ETU IC) that have contributed to the costs of the Cluster Enabling Transmission Upgrade by the amount of said entities’ corresponding reduction in Cluster Enabling Transmission Upgrade costs based on the comparison of the Cluster Enabling Transmission Upgrade cost allocation with and without the added Late Comer Project, if the Late Comer Project: (i) interconnects directly to the Cluster Enabling Transmission Upgrade, (ii) connects to a substation where the Cluster Enabling Transmission Upgrade terminates, or (iii) (a) is greater than five megawatt and is greater than one percent of the Cluster Enabling Transmission Upgrade normal rating, and (b) (1) has an impact on the Cluster Enabling Transmission Upgrade that is greater than five percent of the Cluster Enabling Transmission Upgrade normal rating or (2) has a distribution factor on the Cluster Enabling Transmission~~

~~Upgrade that is greater than or equal to 20 percent using the distribution factor methodology described above. A Generator Owner or ETU IC that has contributed to the costs of the Cluster Enabling Transmission Upgrade shall have the payments associated with the Cluster Enabling Transmission Upgrade adjusted based on the depreciation schedule that is being used for the Cluster Enabling Transmission Upgrade.~~

- (6) Treatment of Elective Transmission Upgrades for Generating Units. If a Generator Owner has requested an Elective Transmission Upgrade pursuant to Section II.47 of this OATT in connection with a new or materially changed generation unit, the Generator Owner shall be subject to the cost, credit assurance and contract obligations set forth in Section II.47 of this OATT and Schedule 12 to this OATT for Elective Transmission Upgrades.
- (7) Contract and Credit Requirements. If a Generator Interconnection Related Upgrade or an Elective Transmission Upgrade Interconnection Related Upgrade (collectively, “Upgrade”) is required, the Generator Owner or Elective Transmission Upgrade Interconnection Customer (“ETU IC”) requesting such upgrade, at the request of the PTO or its designee responsible for effecting the construction or modification, shall be obligated to pay to the PTO or its designee responsible for effecting the Upgrade an amount equal to its share of the estimated cost of the construction at one time or in monthly or other periodic installments, including, without limitation, all costs associated with acquiring land, rights of way easements, purchasing equipment and materials, installing, constructing, interconnecting, and testing the facilities; O&M and engineering costs; all related overheads; and any and all associated taxes and government fees. In addition to, or in lieu of said payment, the affected PTO or its designee may require the Generator Owner or ETU IC to provide, as security for its obligation to pay any unfunded balance of the construction costs, a letter of credit or other reasonable form of security acceptable to the PTO or its designee that will be responsible for the construction equivalent to the cost of the upgrade including taxes and consistent with relevant commercial practices, as established by the Uniform Commercial Code. As soon as reasonably practical, but in any event within 180 days after completion of the construction or modifications, or as otherwise mutually agreed, the PTO or its designee responsible for the construction or modification will determine the difference, if any, between the estimated cost already paid by the Generator Owner or ETU IC to the PTO or its designee responsible for the construction or modification and its share of the actual cost of the construction or modification, and will either receive from the Generator Owner or ETU IC, with Interest (if the sum paid is insufficient) or pay to the Generator Owner or ETU IC, with Interest (if the sum paid

is surplus) the difference; provided that if, at the time such determination is made, items of construction that remain to be completed and/or some construction costs have not been invoiced and paid, the PTO or its designee responsible for the construction or modification shall continue to be entitled to recover from the Generator Owner or ETU IC the Generator Owner or ETU IC's share of the costs of such remaining items and may retain a reserve to cover such items.

Furthermore, the PTO shall release any letter of credit or other security instrument received by the PTO, up to the amount allowed to be recovered through the PTO's Annual Transmission Revenue Requirement for Category A and B Projects, no later than sixty (60) days after the later of the reflection of such costs in the regional rates and the commercial operation of the Generating Facility or Elective Transmission Upgrade addition or modification. To the extent Upgrades, or any portion thereof, are completed in a calendar year, PTO will use their best efforts to reflect such facilities in their Annual Transmission Revenue Requirements calculated on the basis of that year. That portion of the construction or modification costs or deposit paid by the Generator Owner or ETU IC may, by mutual agreement of the PTO and the Generator Owner or ETU IC, either be retained by the PTO, or be refunded to the Generator Owner or ETU IC upon the Generator Owner or ETU IC executing a contract with the PTO obligating the Generator Owner or ETU IC to pay the PTO the ongoing transmission revenue requirement associated with its share of the Upgrade, including but not limited to cost of capital, federal and state income taxes, O&M and A&G costs, annual property taxes and all other related costs, and providing the PTO with an irrevocable letter of credit or other form of security acceptable to the PTO. In the event the Generator Owner or ETU IC's portion of the construction or modification costs is retained by the PTO or its designee in accordance with the preceding sentence, the Generator Owner or ETU IC will be obligated (i) to pay the federal and state income taxes required to be paid by the PTO with respect to the retained amount, and (ii) to pay annually its percentage of the O&M and A&G costs, annual property taxes and all other related costs, except for those costs required to be paid under (i) or any costs that are retained by the PTO in accordance with the interconnection agreement. If the Generator Owner or ETU IC for whatever reason goes out of business, or otherwise abandons its Generating Facility or Elective Transmission Upgrade project and the Upgrade has already been partially or completely constructed, the Generator Owner or ETU IC shall be responsible for all of the unrecovered ongoing costs of the upgrade that would not have been incurred but for the proposed generation or ETU project. Nothing contained herein shall prevent the PTO or its designee responsible for the construction or modification and the Generator Owner or ETU IC from negotiating other methods for providing financial security associated with the cost of an upgrade deemed acceptable to the PTO or other entity. Subject to

the foregoing, the interconnection and support agreements for an Upgrade may specify the basis for continued support of such upgrade in the event of the cancellation of the project due to a failure to obtain regulatory approvals or permits or required rights of way or other property, or action to terminate the project before its completion for whatever reason and any other matters.

Interest payable hereunder shall be calculated in accordance with Section II.8.3 of the OATT.

SCHEDULE 22

LARGE GENERATOR INTERCONNECTION PROCEDURES

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SECTION I. DEFINITIONS

The definitions contained in this section are intended to apply in the context of the generator interconnection process provided for in this Schedule 22 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under this Schedule 22. Capitalized terms in Schedule 22 that are not defined in this Section I shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

~~**Affected System** shall mean any electric system that is within the Control Area, including, but not limited to, generator owned transmission facilities, or any other electric system that is not within the Control Area that may be affected by the proposed interconnection.~~

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 944 to this LGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 79 to this LGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.7 of this LGIP.

~~**Affected Party** shall mean the entity that owns, operates or controls an Affected System, or any other entity that otherwise may be a necessary party to the interconnection process.~~

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties [or Internal Affected Parties](#).

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if ~~the~~ Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party [or Internal Affected Parties](#) as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit ~~the~~ Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking

Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispach of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Large Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal

voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff~~conducted to accommodate the Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered~~. The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

~~**Cluster Participation Deposit**~~ **CETU Participation Deposit** shall mean a Commercial Readiness Deposit as described in the initial and additional deposit due under Sections 4.2.3.2.2 and 4.2.4.4.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

~~**Cluster Entry Deadline** shall mean the deadline specified in Section 4.2.3.1.~~

Clustering shall mean the process whereby ~~one or more a group of~~ Interconnection Requests ~~is are~~ studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this LGIP ~~for the purpose of conducting the Interconnection System Impact Study and Interconnection Facilities Study and for the purpose of determining cost responsibility for upgrades identified through the Clustering provisions.~~

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean ~~the~~ Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect

Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes ~~the~~ Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or

any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner, that is constructing, a portion of the Administered Transmission System at the Point

of Interconnection and shall be a Party to the Standard Large Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by ~~the~~ Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under ~~this LGIPE Standard Large Generator Interconnection Procedures~~.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities ~~may be~~ ~~are~~ sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean ~~the~~ Interconnecting Transmission Owner's Interconnection Facilities and ~~the~~ Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for ~~the~~ Interconnection Customer to determine a list of

facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the [Cluster Study, Cluster Restudy, or the Cluster](#) Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of this [LGIPe Standard Large Generator Interconnection Procedures](#).

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 34 of this [LGIPe Standard Large Generator Interconnection Procedures](#) for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an [Interconnection Facilities Study pursuant to Section 8 of this LGIP](#).

~~**Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Administered Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.~~

~~**Interconnection Feasibility Study Agreement** shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.~~

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this [LGIPe Standard Large Generator Interconnection Procedures](#), in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service for all or part of a Generating Facility's capability. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as

defined by the Public Utility Regulatory Policies Act, as amended by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the [Standard Large Generator Interconnection Agreement-LGIA](#) and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: ~~the Interconnection Feasibility Study, the the Cluster~~ Interconnection System Impact Study, ~~the Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Rerestudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, the Optional Interconnection Study, and the Material Modification assessment, and the Optional Interconnection Study~~ described in this [LGIPe-Standard Large Generator Interconnection Procedures](#). ~~Interconnection Study shall not include a CNR Group Study.~~

Interconnection Study Agreement shall mean any of the following agreements: the ~~Interconnection Feasibility Study Agreement, the Affected System Study Agreement, the Cluster Study Agreement~~ ~~Interconnection System Impact Study Agreement~~, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this [LGIPe-Standard Large Generator Interconnection Procedures](#).

~~**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Administered Transmission System and any other Affected System, the scope of which is described in Section 7 of the Standard Large Generator Interconnection Procedures. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.~~

~~**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.~~

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this LGIP.

~~**Long Lead Time Facility (“Long Lead Facility”)** shall mean a Generating Facility or an Elective Transmission Upgrade with an Interconnection Request for Capacity Network Resource Interconnection Service or Capacity Network Import Interconnection Service, respectively, that has, as applicable, elected or requested long lead time treatment and met the eligibility criteria and requirements specified in Schedule 22 or Schedule 25 of Section II of the Tariff, respectively.~~

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party’s performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by ~~the Interconnection Customer~~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~~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 Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond ~~the Interconnection Customer~~Interconnection Customer's control; ~~(iv) except as provided in Section 3.2.3.4, a withdrawal of a request for Long Lead Facility treatment; or (v) except as provided in Section 3.2.3.6, an election to participate in an earlier Forward Capacity Auction than originally anticipated.~~

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 10~~12~~ to this LGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8~~10~~ to this LGIP that is made among Interconnecting Transmission Owner, System Operator and multiple

[Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.](#)

Network Capability Interconnection Standard (“NC Interconnection Standard”) shall mean the minimum criteria required to permit ~~the Interconnection Customer~~[Interconnection Customer](#) to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource (“NR”) shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability (“NR Capability”) shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service (“NR Interconnection Service”) shall mean the Interconnection Service selected by ~~the Interconnection Customer~~[Interconnection Customer](#) to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer’s NR Interconnection Service shall be solely for the megawatt amount of the NR Capability requested pursuant to Section 3.1 of this LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by ~~the Interconnection Customer~~Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 45 of this ~~LGIPe Standard Large Generator Interconnection Procedures~~ for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where ~~the Interconnection Customer~~Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting ~~the Interconnection Customer~~Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection

Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and ~~the Interconnection Customer~~Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service ~~and notification of requests for interconnection to other electric systems, as notified by the other electric systems, that impact the Administered Transmission System. References to a “higher queued” Interconnection Request shall mean one that has been received by System Operator (and placed in queue order) earlier than another Interconnection Request, which is referred to as “lower queued.”~~

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of ~~the~~ System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, ~~to exchange~~ing information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and to analyzing such information, ~~and to determine the potential feasible Points of Interconnection.~~

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation ~~establishing~~reasonably demonstrating: (a) that ~~the Interconnection Customer~~Interconnection Customer is the owner in fee simple of the real property

or holds an easement for which new interconnection is sought; (b) that ~~the Interconnection Customer~~Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that ~~the Interconnection Customer~~Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that ~~the Interconnection Customer~~Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that ~~the Interconnection Customer~~Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. ~~The~~ System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If ~~the~~ System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, ~~the~~ System Operator must provide ~~the Interconnection Customer~~Interconnection Customer a written technical explanation outlining why ~~the~~ System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (-15) Business Days of its determination.

Standard Large Generator Interconnection Agreement (“LGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in this Schedule 22 to the Tariff.

Standard Large Generator Interconnection Procedures (“LGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in this Schedule 22 to the Tariff.

Study Case shall have the meaning specified in Sections ~~6.2 and 7.3~~ and 7.5 of this LGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for an ~~existing~~ Generating Facility ~~that has achieved Commercial Operation~~, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Capacity Network Resource Group Study (“Transitional CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this LGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 57 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 68 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by System Operator to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Serial Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this LGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at an ~~existing, commercial~~ Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the ~~existing, commercial~~ Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection

queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Large Generator Interconnection Procedures.

The LGIP and LGIA shall apply to Interconnection Requests pertaining to Large Generating Facilities. Except as expressly provided in the LGIP and LGIA, nothing in the LGIP or LGIA shall be construed to limit the authority or obligations that the Interconnecting Transmission Owner or System Operator, as applicable, has with regard to ISO New England Operating Documents.

2.2. Comparability.

The System Operator shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. The System Operator and Interconnecting Transmission Owner ~~will use the same Reasonable Efforts in~~ shall processing and analyzing Interconnection Requests from all Interconnection Customers, regardless of whether the Generating Facilities are owned by the Interconnecting Transmission Owner, its subsidiaries or Affiliates, or others.

2.3 Base Case Data.

System Operator shall maintain Base Case power flow, short circuit and stability databases, including all underlying assumptions, and contingency lists on a secured location on the System Operator's website. For the purposes of this provision, Base Case Data may include the electromagnetic transient network model that does not include proprietary electromagnetic transient equipment models. System Operator shall provide access to such information located on a secured location on the System Operator's website, subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy as well as any other applicable requirement under Applicable Laws and Regulations regulating disclosure or confidentiality of such information. System Operator shall maintain network models and underlying assumptions on a secured location on the System Operator's website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection Study and be representative of current system conditions as of the most recent Interconnection Study. The databases and lists addressed in this Section 2.3, hereinafter referred to as Base Cases, shall include all generation projects and transmission projects that are proposed for the New England Transmission

System and any [Affected System or Internal](#) Affected System and for which a transmission expansion plan has been submitted and approved by the applicable authority and which, in the sole judgment of the System Operator, may have an impact on the Interconnection Request. The Base Cases shall also include generation projects that are not participating in the System Operator's interconnection process, but are expected to achieve approval pursuant to Section I.3.9 of the Tariff within 90 days from the date of the creation of the Base Cases and for which steady state, short circuit, ~~and~~ stability [and electromagnetic transient network](#) models for the generation projects and any associated system upgrades have been provided to the System Operator. ~~The Interconnection Customer~~ [Interconnection Customer](#), where applicable, shall provide Base Case Data to the Interconnecting Transmission Owner and System Operator to facilitate required Interconnection Studies.

System Operator shall provide a link to the secured location on its website that contains the information required under this Section 2.3 on System Operator's OASIS site. System Operator is permitted to require that Interconnection Customers or their third party consultants, OASIS site users, and users of the secured location on System Operator's website sign a confidentiality agreement before the release of information governed by Section 13.1 or the ISO New England Information Policy, or the release of any other information that is commercially sensitive or Critical Energy Infrastructure Information.

2.4 No Applicability to Transmission Service.

Nothing in this LGIP shall constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

2.5 Time Requirements.

Parties that must perform a specific obligation under a provision of the Standard Large Generator Interconnection Procedure or Standard Large Generator Interconnection Agreement within a specified time period shall use Reasonable Efforts to complete such obligation within the applicable time period. A Party may, in the exercise of reasonable discretion and within the time period set forth by the applicable procedure or agreement, request that the relevant Party consent to a mutually agreeable alternative time schedule, such consent not to be unreasonably withheld.

SECTION 3. INTERCONNECTION REQUESTS.

3.1 General.

To initiate an Interconnection Request, an Interconnection Customer must comply with all of the requirements set forth in Section 3.4.1. ~~The Interconnection Customer~~ Interconnection Customer shall submit a separate Interconnection Request for each site ~~and may submit multiple Interconnection Requests for a single site. The Interconnection Customer must comply with the requirements specified in Section 3.4.1 for each Interconnection Request even when more than one request is submitted for a single site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request.~~

Within three (3) Business Days after ~~the close of the Cluster Request Window~~ its receipt of a valid Interconnection Request, System Operator shall submit a copy of ~~all valid the~~ Interconnection Requests received to Interconnecting Transmission Owner(s).

At Interconnection Customer's option, System Operator, Interconnection Customer, Interconnecting Transmission Owner, and any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, will identify alternative Point(s) of Interconnection and configurations at ~~the a~~ Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the ~~Interconnection Feasibility Study Agreement, or the Interconnection System Impact Study Agreement if the Interconnection Customer elects not to pursue the Interconnection Feasibility Study Cluster Study Agreement.~~ For purposes of Clustering of Interconnection Requests, System Operator, in its sole discretion, may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. System Operator shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement of the involved parties.

System Operator shall consider requests for Interconnection Service below the Large Generating Facility capability. An Interconnection Customer that submits an Interconnection Request for

Interconnection Service below the Large Generating Facility capability shall include in the Interconnection Request the proposed control technologies to restrict the Large Generating Facility's output to the requested Interconnection Service levels. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of determining necessary Interconnection Facilities, Network Upgrades, and associated costs, and the requests shall be studied at the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system, with the study costs borne by ~~the~~ Interconnection Customer.

Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or requested to be filed unexecuted, LGIA.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in ISO New England Planning Procedures.

Unless otherwise stated, all Commercial Readiness Deposits that must be submitted to the System Operator under this LGIP must be (a) delivered to the System Operator's bank account by electronic transfer, (b) through the provision and maintenance of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Letter of Credit Issuers, as described on the System Operator's public website, (c) a surety bond in a form and from an institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Surety Bond Issuers, as described on the System Operator's public website or (de) a combination thereof. Each letter of credit or surety bond must specify the Interconnection Request to which it corresponds. Further, notwithstanding Section 5 of this LGIP to the contrary, an Interconnection Customer may replace the acceptable forms of Commercial Readiness Deposits provided therein with a surety bond any time after such form is deemed acceptable by the System Operator. All costs associated with obtaining a letter of credit or surety bond shall be borne by Interconnection Customer. In the event that System Operator identifies an administrative deficiency with a submitted letter of credit or surety bond, Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

If the System Operator removes the financial institution from the list, Interconnection Customer shall have ten (10) Business Days from the date on which System Operator provides notice of such removal to replace the letter of credit or surety bond with a letter of credit or surety bond from a financial institution on the list. The System Operator may extend this cure period in its sole discretion. Failure to cure a deficiency within the periods prescribed in this Section 3.1 shall result in the withdrawal of the Interconnection Request pursuant to Section 3.7 of the LGIP without further opportunity to cure. System Operator shall only provide refunds and/or distribute funds held as part of a Commercial Readiness Deposit to the extent that there are sufficient funds available from the applicable form of financial security.

All other deposits that must be submitted to the System Operator under this LGIP must be paid in cash and delivered to the System Operator's bank account by electronic transfer within the period specified in the respective provision.

A deposit will not be considered received until it is in the System Operator's bank account or, in the case of a letter of credit, or surety bond, provided as a Commercial Readiness Deposit, the letter of credit or surety bond is accepted by System Operator. Deposits that must be submitted to the Interconnecting Transmission Owner shall be submitted in a form acceptable to the Interconnecting Transmission Owner.

3.2 Type of Interconnection Services ~~and Long Lead Time Facility Treatment~~

At the time the Interconnection Request is submitted, ~~the Interconnection Customer~~ Interconnection Customer must request either CNR Interconnection Service or NR Interconnection Service, as described in Sections 3.2.1 and 3.2.2 below. An Interconnection Customer that meets the requirements to obtain CNR Interconnection Service shall obtain NR Interconnection Service up to the NR Capability upon completion of all requirements for NR Interconnection Service, including all necessary upgrades. Upon completion of all requirements for the CNR Interconnection Service, ~~the Interconnection Customer~~ Interconnection Customer shall also receive CNR Interconnection Service for CNR Capability.

An Interconnection Customer that meets the requirements to obtain NR Interconnection Service shall receive NR Interconnection Service for ~~the Interconnection Customer~~ Interconnection Customer's NR Capability. ~~At the time the Interconnection Request is submitted, the Interconnection Customer may also request Long Lead Facility treatment in accordance with Section 3.2.3.~~

3.2.1 Capacity Network Resource Interconnection Service

3.2.1.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which CNRs are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows ~~the Interconnection Customer~~Interconnection Customer's Large Generating Facility to be designated as a CNR, and to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the CNR Capability or as otherwise provided in the Tariff, on the same basis as existing CNRs, and to be studied as a CNR on the assumption that such a designation will occur.

3.2.1.2 The Studies.

All Interconnection Studies for CNR Interconnection Service shall assure that ~~the Interconnection Customer~~Interconnection Customer's Large Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit. For Interconnection Requests seeking to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024, the CNR Group Study ~~The CNR Group Study for CNR Interconnection Service~~ shall assure that ~~the Interconnection Customer~~Interconnection Customer's Large Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other CNRs and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures. For all other Interconnection Requests, the intra-zonal deliverability analysis shall be performed as part of the Transitional Cluster Study or Cluster Study. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by ~~the Interconnection Customer~~Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to ~~the Interconnection Customer~~Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.1.3 Milestones for CNR Interconnection Service.

In addition to the requirements set forth in this LGIP, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service [that seeks to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024](#) shall complete the following milestones prior to receiving CNR Interconnection Service for the CNR Capability, such milestones to be specified in Appendix B of the LGIA, as either completed or to be completed: (i) submit the necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date (except as modified pursuant to Sections 3.2.3 or 4.4 of this LGIP), in accordance with the provisions of Section III.13 of the Tariff; (ii) participate in a CNR Group Study for the Forward Capacity Auction associated with the requested Generating Facility's Commercial Operation Date; (iii) qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff; and (iv) complete a re-study of the applicable Interconnection Study and CNR Group Study after the Forward Capacity Auction, Reconfiguration Auction, or bilateral transaction through which ~~the Interconnection Customer~~[Interconnection Customer](#) received a Capacity Supply Obligation to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request. The re-study shall include those CNR Interconnection Service or CNI Interconnection Service Interconnection Requests with a higher Queue Position that cleared and shall exclude any upgrades that are no longer necessary as a result of existing capacity that will be retired as of the start of the Capacity Commitment Period for which the resource has received a Capacity Supply Obligation. With respect to (iv) above, if an Interconnection Study Agreement has been executed, the Interconnection Study associated with the Interconnection Study Agreement shall include the necessary analysis that would otherwise have been performed in a re-study. If the original Interconnection Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Study Agreement. If an LGIA has been either executed or filed with the Commission in unexecuted form, then the last Interconnection Study completed for ~~the Interconnection Customer~~[Interconnection Customer](#) under this LGIP shall be subject to re-study. The Appendices to the LGIA shall be amended (pursuant to Article 30 of the LGIA) to reflect CNR Capability and the results of the re-study.

[After September 4, 2024, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service shall complete the requirements in this LGIP prior to receiving CNR Interconnection Service. Interconnection Customer shall complete the intra-zonal deliverability assessment by electing to participate in the Transitional CNR Group Study, Transitional Cluster Study, or](#)

submit a new Interconnection Request for CNR Interconnection Service during the applicable Cluster Entry Window to participate and complete a Cluster Study. Any Interconnection Customer with a valid Interconnection Request for CNR Interconnection Service that has a completed Interconnection System Impact Study on or before July 1, 2024 , but that has not received a Capacity Supply Obligation through the eighteenth Forward Capacity Auction or an earlier auction may: 1) seek to complete the process for obtaining CNR Interconnection Service through the process described in Section III.13.1.1.2A of the Tariff or 2) seek to complete the process for obtaining CNR Interconnection Service through the Transitional Cluster Study. Notwithstanding any other provision of the Tariff, an Interconnection Customer may seek to participate in both the process described in Section III.13.1.1.2A of the Tariff and the Transitional Cluster Study simultaneously. If Interconnection Customer achieves CNR Interconnection Service through Section III.13.1.1.2A, it may withdraw from the Transitional Cluster Study without penalty and be refunded any remaining study deposits associated with the Transitional Cluster Study. If Interconnection Customer does not enter, or complete, the process described in either Section III.13.1.1.2A or the Transitional Cluster Study, the System Operator shall reduce Interconnection Customer's Interconnection Request to NR Interconnection Service.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which Network Resources are interconnected under the NC Interconnection Standard. NR Interconnection Service allows ~~the Interconnection Customer~~Interconnection Customer's Large Generating Facility to participate in the New England Markets, in accordance with the provisions of Market Rule 1, Section III of the Tariff, up to the net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as other Network Resources. Notwithstanding the above, the portion of a Large Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, except pursuant to a new Interconnection Request for CNR Interconnection Service.

3.2.2.2 The Studies.

The Interconnection Studies for an Network Resource shall assure that ~~the Interconnection Customer~~Interconnection Customer's Large Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit, in accordance with the NC Interconnection Standard and as detailed in the ISO New England Planning Procedures. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by ~~the Interconnection Customer~~Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to ~~the Interconnection Customer~~Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.2.3 Milestones for NR Interconnection Service.

An Interconnection Customer with an Interconnection Request for NR Interconnection Service shall complete the requirements in this LGIP prior to receiving NR Interconnection Service.

3.2.3 — Long Lead Time Facility Treatment

3.2.3.1 Treatment of Long Lead Facilities.

~~Long Lead Facilities receive the treatment described herein in connection with the associated request of the Interconnection Customer for CNR Interconnection Service for its Large Generating Facility or CNR Interconnection Service for its External ETU that is a controllable Merchant Transmission Facility or Other Transmission Facility. Long Lead Facility treatment provides for the Interconnection Customer's Generating Facility or controllable Merchant Transmission Facility or Other Transmission Facility External ETU, after the completion of the Interconnection System Impact Study, to be modeled in the Base Cases for the next CNR Group Study to determine whether the Long Lead Facility would have qualified or enabled the qualification of an Import Capacity Resource to participate in the Forward Capacity Auction associated with that CNR Group Study, in accordance with Section III.13.1.2 of the Tariff, but for the Long Lead Facility's development cycle (which shall include development of required transmission upgrades). If the Long Lead Facility is deemed to qualify or have enabled an associated Import Capacity Resource to qualify, the Long Lead Facility shall be included in the re-study pursuant to Section 3.2.1.3(iv) in order to determine the facilities and upgrades that would be necessary in order to~~

accommodate the Interconnection Request of the Long Lead Facility, and for which costs the Interconnection Customer must be responsible. In order to maintain Long Lead Facility status, the Interconnection Customer must commit to the completion of these facilities and upgrades in time to allow the Long Lead Facility to achieve its Commercial Operation Date by the start of the associated Capacity Commitment Period. In addition, the Long Lead Facility will be treated as a New Generating Capacity Resource in the case of a Generating Facility or as if an Import Capacity Resource associated with the Long Lead Facility cleared in the case of an External ETU for the sole purpose of inclusion of the Long Lead Facility in the CNR Group Studies for the Forward Capacity Auctions that precede the Forward Capacity Auction for the Capacity Commitment Period by which the Long Lead Facility is expected to have achieved Commercial Operation. If an earlier queued Generating Facility seeking CNR Interconnection Service or an Import Capacity Resource associated with an Elective Transmission Upgrade that is seeking CNI Interconnection Service obtains a Capacity Supply Obligation in a Forward Capacity Auction prior to or simultaneous with the Forward Capacity Auction in which the Long Lead Facility or its contractual counterparty in the case of an Elective Transmission Upgrade obtains a Capacity Supply Obligation, the Long Lead Facility will be re-studied in order to determine whether any additional facilities and upgrades to those identified prior to the CNR Group Study must be completed, at the Interconnection Customer's cost, prior to its Commercial Operation Date. A Long Lead Facility's cost responsibility for the facilities necessary to accommodate the Interconnection Request shall not be impacted by a Generating Facility or an External ETU with a Queue Position lower than the Long Lead Facility or its counterparty in the case of an External ETU that clears in a Forward Capacity Auction, in accordance with Section III.13.2 of the Tariff, prior to the clearance of the Long Lead Facility.

~~3.2.3.2 Request for Long Lead Facility Treatment.~~

An Interconnection Customer requesting CNR Interconnection Service for its proposed Generating Facility or CNI Interconnection Service for its proposed controllable Merchant Transmission Facility or Other Transmission Facility External ETU, which the Interconnection Customer projects to have a development cycle that would not be completed until after the beginning of the Capacity Commitment Period associated with the next Forward Capacity Auction (after the election for the Long Lead Facility is made) may elect or request Long Lead Facility treatment in the following manner:

- (a) — An Interconnection Customer proposing a Generating Facility or a controllable Merchant Transmission Facility or Other Transmission Facility External ETU with a requested CNR Interconnection Service or CNI Interconnection Service equal to or greater than 100 MW may

elect Long Lead Facility treatment at the time the Interconnection Request is submitted, together with the critical path schedule and deposits required in Section 3.2.3.3.

~~(b) — An Interconnection Customer proposing a Generating Facility or a controllable Merchant Transmission Facility or Other Transmission Facility External ETU with a requested CNR Interconnection Service or CNI Interconnection Service under 100 MW may request Long Lead Facility treatment by submitting a written request to the System Operator for its review and approval, explaining why the Generating Facility or the controllable Merchant Transmission Facility or Other Transmission Facility External ETU cannot achieve Commercial Operation by the beginning of the Capacity Commitment Period associated with the next Forward Capacity Auction (after the election for Long Lead Facility treatment is made), together with the critical path schedule and deposits required in Section 3.2.3.3. In reviewing the request, the System Operator shall evaluate the feasibility of the Generating Facility or the controllable Merchant Transmission Facility or Other Transmission Facility External ETU achieving Commercial Operation to meet an earlier Capacity Commitment Period based on the information provided in the request and the critical path schedule submitted pursuant to Section 3.2.3.3, in a manner similar to that performed under Section III.13.3.2 of the Tariff. Within forty five (45) Business Days after its receipt of the request for Long Lead Facility treatment, the System Operator shall notify the Interconnection Customer in writing whether the request has been granted or denied. If the System Operator determines that the Generating Facility or the controllable Merchant Transmission Facility or Other Transmission Facility External ETU can achieve a Commercial Operation Date prior to the beginning of the Capacity Commitment Period associated with the next Forward Capacity Auction, the Interconnection Customer's request shall be denied. The dispute resolution provisions of the LGIP in the case of a Generating Facility or the ETU IP for an External ETU are not available for disputes or claims associated with the ISO's determination to deny an Interconnection Customer's request for Long Lead Facility treatment.~~

~~(c) — An Interconnection Customer that did not request Long Lead Facility treatment at the time the Interconnection Request was submitted, may thereafter submit a request for treatment as a Long Lead Facility, together with the critical path schedule and deposits required in Section 3.2.3.3 and, if applicable, a request for an extension of the Commercial Operation Date specified in the Interconnection Request in accordance with Sections 4.4.4 and 4.4.5. A request for Long Lead Facility treatment that is submitted after the initial Interconnection Request will not be~~

~~eligible to participate in any Forward Capacity Auction prior to the Forward Capacity Auction associated with the extended Commercial Operation Date. The Long Lead Facility will be modeled in the Base Cases for the CNR Study Group associated with the near term Forward Capacity Auction unless that CNR Study Group is underway, in which case the Long Lead Facility will be modeled in the next CNR Study Group.~~

~~3.2.3.3 Critical Path Schedule and Deposits for Long Lead Facility Treatment.~~

~~At the time an Interconnection Customer submits an election or request for Long Lead Facility treatment, the Interconnection Customer must submit, together with the request:~~

~~(1) **Critical Path Schedule.** A critical path schedule, in writing, for the Long Lead Facility (with a development cycle that would not be completed until after the beginning of the Capacity Commitment Period associated with the next Forward Capacity Auction (after the election for the Long Lead Facility is made) that meets the requirements set forth in Section III.13.1.1.2.2.2 of the Tariff. The Interconnection Customer must submit annually, in writing, an updated critical path schedule to the System Operator by the closing deadline of each New Capacity Show of Interest Submission Window that precedes the Forward Capacity Auction associated with the Capacity Commitment Period by which the Long Lead Facility is expected to have achieved Commercial Operation, prior to the inclusion of the Long Lead Facility in the Base Case for the CNR Group Study associated with the corresponding New Capacity Show of Interest Submission Window. With its annual update, for each critical path schedule milestone achieved since the submission of the previous critical path schedule update, the Interconnection Customer must include in the critical path update documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule.~~

~~(2) Long Lead Facility Deposits.~~

~~(a) **Deposits.** In addition to the deposits required elsewhere in the LGIP in the case of a Generating Facility or the ETU IP for External ETU, at the time of its request for Long Lead Facility treatment, in accordance with Section 3.2.3.3, and by each deadline for which a New Generating Capacity Resource is required to provide financial assurance under Section III.13.1.9.1 of the Tariff, the Interconnection Customer must provide a separate deposit in the amount of $0.25 * (\text{Forward Capacity Auction Starting Price } (\$/\text{kW-mo}) / 2) * \text{requested CNR}$~~

Capability or CNI Capability. For each calculation of the deposit, the System Operator shall use the Forward Capacity Auction Starting Price in effect for the upcoming Forward Capacity Auction at the time of that calculation, pursuant to Section III.13.2.4 of the Tariff, or the Forward Capacity Auction Starting Price for the previous Forward Capacity Auction in the case where the Forward Capacity Auction Starting Price in effect for the upcoming Forward Capacity Auction has not yet been calculated. The total amount of deposits shall not exceed the Non-Commercial Capacity Financial Assurance Amount that the Long Lead Facility would be required to provide if the Long Lead Facility or its counterparty cleared in the upcoming Forward Capacity Auction, in accordance with Section III.13.1.9.1 of the Tariff. The Long Lead Facility deposits will be fully refunded (with interest to be calculated in accordance with Section 3.7) (i) if the Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within thirty (30) Calendar Days of the Scoping Meeting or of the completion of the System Impact Study (including restudy of the System Impact Study), pursuant to Section 7, or (ii) once the Long Lead Facility or its counterparty clears in a Forward Capacity Auction.

(b) Reductions. Ten (10) percent of the Long Lead Facility deposits collected pursuant to Section 3.2.3.3(2)(a) shall be non-refundable if the Interconnection Customer withdraws its Interconnection Request (except as provided in Section 3.2.3.3(2)(a)) after the Long Lead Facility or its counterparty fails to qualify or qualifies and fails to clear in the Forward Capacity Auction that follows the first Forward Capacity Auction for which the Long Lead Facility or its counterparty could qualify based on the Commercial Operation Date specified in the initial critical path schedule for the Long Lead Facility. An additional five (5) percent of the Long Lead Facility deposits collected pursuant to Section 3.2.3.3(2)(a) shall be non-refundable if the Interconnection Customer withdraws its Interconnection Request (except as provided in Section 3.2.3.3(2)(a)) following each subsequent Forward Capacity Auction in which the Long Lead Facility or its counterparty fails to qualify or qualifies and fails to clear such Forward Capacity Auction, not to exceed the maximum period allowed under Sections 3.4.1, 4.4.4 and 4.4.5. The non-refundable portions of the deposits shall be credited to the revenue requirements under Schedule 1 of Section IV of the Tariff.

~~3.2.3.4 Withdrawal and Refunds After Expenditures for Upgrades.~~

~~An Interconnection Customer that provides documentation in the critical path schedule update to be submitted in accordance with Section 3.2.3.3(1), showing expenditures of the required~~

amounts for upgrades identified in the Interconnection Studies for the Long Lead Facility, may submit a withdrawal of the Interconnection Request for the Long Lead Facility, in accordance with Section 3.7, at any time up to thirty (30) Calendar Days, after the Long Lead Facility's or its counterparty's failure to clear in any Forward Capacity Auction. In such instance, the Interconnection Customer shall receive a refund from the System Operator of the Long Lead Facility deposits (with interest to be calculated in accordance with Section 3.7) as adjusted pursuant to 3.2.3.3(2), if appropriate, and from the Interconnecting Transmission Owner a refund of the payments for the upgrades that exceed the costs incurred by the Interconnecting Transmission Owner. If the Interconnection Customer withdraws only its election or request for Long Lead Facility treatment, such withdrawal will be considered a Material Modification and the Long Lead Facility will lose its Queue Position unless its withdrawal occurs within one of the thirty (30) day periods described in Section 3.2.3.3(2) of the LGIP in the case of a Generating Facility or the ETU IP for an External ETU.

~~3.2.3.5 Additional Requirements to Maintain Long Lead Facility Treatment.~~

~~An Interconnection Customer with a Long Lead Facility must begin payment as required by the transmission expenditure schedule for the transmission upgrade costs that have been identified in the pertinent Interconnection Studies. The Interconnection Request for CNR Interconnection Service shall be deemed withdrawn under Section 3.7 if the Interconnection Customer fails to comply with the requirements for Long Lead Facility treatment, including the milestones specified in Section 3.2.1.4. In this circumstance, the conditions specified in an Interconnection Agreement for a Generating Facility seeking CNR Interconnection Service or External ETU seeking CNI Interconnection Service that had an Interconnection Request of a Queue Position lower than the Long Lead Facility, but cleared (in the case of the Elective Transmission Upgrade, the Import Capacity Resource) in a Forward Capacity Auction prior to the Long Lead Facility, shall be removed.~~

~~3.2.3.6 Participation in Earlier Forward Capacity Auctions.~~

~~An Interconnection Customer with a Long Lead Facility may, without loss of Queue Position, elect to participate in an earlier Forward Capacity Auction than originally anticipated, but only if the election to accelerate is made to the System Operator in writing within thirty (30) Calendar Days of the Scoping Meeting or within thirty (30) Calendar Days of the completion of the System Impact Study (but before the Long Lead Facility and the results of the associated System Impact~~

~~Study are incorporated into the Base Cases). Otherwise, such an election shall be considered a Material Modification.~~

3.3 Utilization of Surplus Interconnection Service.

Surplus Interconnection Service allows an existing Interconnection Customer ~~whose Generating Facility is already interconnected to the Administered Transmission System and is in Commercial Operation~~ to utilize or transfer Surplus Interconnection Service at the ~~existing~~ Generating Facility's ~~existing~~ Point of Interconnection once Interconnection Customer has executed the LGIA or requested that the Interconnection Agreement be filed unexecuted. For purposes of Surplus Interconnection Service, the existing Interconnection Customer is referred to as the "Original Interconnection Customer," and the entity requesting Surplus Interconnection Service is referred to as the "Surplus Interconnection Customer." The Original Interconnection Customer or, with written consent of the Original Interconnection Customer, one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the Original Interconnection Customer or one of its affiliates does not exercise this priority, then the Surplus Interconnection Service may be utilized by a third party of the Original Interconnection Customer's choosing and with the Original Interconnection Customer's written consent.

Surplus Interconnection Service may be available for any Unused Capability of Interconnection Service established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for CNR Interconnection Service, any Surplus Interconnection Service may be for existing CNR Interconnection Service or NR Interconnection Service. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for NR Interconnection Service, any Surplus Interconnection Service shall be for NR Interconnection Service. Surplus Interconnection Service is not applicable when a new Interconnection Request for Interconnection Service or Network Upgrades would be required to implement the proposed change to the Original Interconnection Customer's Generating Facility. Surplus Interconnection Service cannot be used to replace a retiring or to repower an existing Generating Facility. Surplus Interconnection Service is also not available for a retirement or repowering of the Original Interconnection Customer's Generating Facility.

The Original Interconnection Customer shall specify the amount of Unused Capability that is

available for use by the Surplus Interconnection Customer's Generating Facility. The total output of the Original Interconnection Customer's Generating Facility plus the Surplus Interconnection Customer's Generating Facility behind the same Point of Interconnection shall be limited to the maximum total amount of Interconnection Service granted to the Original Interconnection Customer as established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. –Control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities shall be required in the case where the sum of the maximum output of the Original Interconnection Customer's Generating Facility plus the maximum output of the Surplus Interconnection Customer's Generating Facility exceeds the total amount of Interconnection Service established in the Original Interconnection Customer's Interconnection Agreement. Surplus Interconnection Service shall only be available at the existing Point of Interconnection of the Original Interconnection Customer's Generating Facility.

3.3.1 Surplus Interconnection Service Request

An Original Interconnection Customer or, with the consent of the Original Interconnection Customer, its affiliate or a third party of the Original Interconnection Customer's choosing may request Surplus Interconnection Service by submitting to the System Operator a completed Surplus Interconnection Service Request Application in the form contained in Attachment C to Appendix 1 of the LGIP. The Surplus Interconnection Service Request Application shall be accompanied by the Original Interconnection Customer's written consent for the Surplus Interconnection Customer's use of Unused Capability for Surplus Interconnection Service, and the technical data called for in the form.

Studies for Surplus Interconnection Service may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. The study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original [Interconnection sSystem iImpact sStudy report or Cluster](#)

[Study Report](#) is not available for Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Any analyses shall be performed at the Surplus Interconnection Customer's expense.

[System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource\(s\), using net shoulder system load as defined in System Operator's Planning Procedures.](#)

The Interconnection Agreement for the Original Interconnection Customer's Generating Facility shall be replaced by a new agreement among the System Operator, Interconnecting Transmission Owner, Original Interconnection Customer, and Surplus Interconnection Customer. The agreement shall be in the form of the most currently effective LGIA, modified to reflect the Surplus Interconnection Customer's Generating Facility and the amount of, and the terms for the use of, the Surplus Interconnection Service. The agreement shall be developed and negotiated in accordance with Section 11 of the LGIP, at the Surplus Interconnection Customer's expense.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

[System Operator shall accept Interconnection Requests during a forty-five \(45\) Calendar Day period \(the Cluster Request Window\). The initial Cluster Request Window shall open for Interconnection Requests sixty \(60\) Calendar Days after the conclusion of the three hundred sixty \(360\) day transition process set out in Section 5.1 of this LGIP. All subsequent Cluster Request Windows shall open sixty \(60\) Calendar Days after the Cluster Study Results Meeting or Cluster Restudy Results Meeting \(as appropriate\). System Operator shall provide notice via posting on its public website at least thirty \(30\) Calendar Days, prior to each respective Cluster Request Window opening.](#)

3.4.1.1 Study Deposits.

Interconnection Customer shall submit to System Operator, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a potentially non-refundable initial deposit of \$50,000, and a refundable study deposit of \$250,000 (for new requests for NR Interconnection Service or CNR Interconnection Service) or \$100,000 (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). System Operator shall apply the initial deposit toward the costs incurred by the System Operator associated with the Interconnection Request, the cost of developing the study agreements and their attachments, and the cost of developing the LGIA. The study deposit shall be applied toward the cost of the Cluster Study.

3.4.21 Initiating an Interconnection Request.

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 LGIP:

- (i) ~~a~~A potentially non-refundable ~~n~~initial deposit of \$50,000,
- (ii) ~~A~~a completed application in the form of Appendix 1 and all information required under its Attachments,
- (iii) ~~A~~all information and deposits required under this Section 3.42, and ~~(iv) in the case of a request for CNR Interconnection Service,~~
- (iv) In the case of a request for CNR Interconnection Service a demonstration of one-hundred percent (100%) Site Control;
- (v) In the case of NR Interconnection Service, a demonstration of no less than one-hundred percent (100%) Site Control or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000

- and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;
- (vi) Generating Facility capability (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility capability),
 - (vii) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.4.1.1 of this LGIP in the form of an irrevocable letter of credit, ~~or~~ cash, or a surety bond. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,
 - (viii) A Point of Interconnection, and;
 - (ix) Whether the Interconnection Request shall be studied for NR Interconnection Service or for CNR Interconnection Service, consistent with Section 3.2 of this LGIP. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by System Operator until Interconnection Customer provides the required Site Control demonstration for its Generating Facility in the Cluster Study Process. Interconnection Customers facing qualifying regulatory limitations must demonstrate one -hundred percent (100%) Site Control within one -hundred eighty (180) Calendar Days of the effective date of the LGIA.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iv-v) of this LGIP. If

System Operator determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to System Operator's approval. Absent such, System Operator shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP without further opportunity to cure.
~~, in the case of a request for NR Interconnection Service, demonstration of Site Control or a posting of an additional deposit of \$10,000.~~

Interconnection Customer does not need to demonstrate Site Control where the Interconnection Request is for a modification to ~~the Interconnection Customer~~Interconnection Customer's existing Large Generating Facility and ~~the Interconnection Customer~~Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property. The portions of the deposit of \$50,000 that have not been applied as provided in this Section 3.4.~~21~~ shall be refundable ~~if (i) the Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within ten (10) Business Days of the Scoping Meeting, (ii) the Interconnection Customer that is eligible for inclusion in a CSIS withdraws the Interconnection Request, pursuant to Section 4.2.3.2.1, by the Cluster Entry Deadline, (iii) the Interconnection Customer that is eligible for inclusion in a CSIS requests, by the Cluster Entry Deadline, to be re-assigned a Queue Position at the bottom of the queue, pursuant to Section 4.2.3.2.1, in relative order with any other Interconnection Request also requesting to be re-queued pursuant to Section 4.2.3.2.1, in which case the unused balance of the deposit of \$50,000 (and any study related deposits, if any have been submitted) shall be applied toward the re-queued Interconnection Request's initial deposit of \$50,000 and any remaining balance will be refunded, or (iv) if the Interconnection Customer executes an LGIA or where the Interconnection Request is withdrawn by the Interconnection Customer~~Interconnection Customer within ten (10) Business Days of the Cluster Scoping Meeting. Otherwise, any unused balance of the deposit of \$50,000 shall be non-refundable and applied on a pro-rata basis to offset costs incurred by Interconnection Customers ~~with lower Queue Positions~~ that are subject to re-study, as determined by the System Operator in accordance with the provisions of this LGIP, as a result of the withdrawal of an Interconnection Request with~~in the same Cluster a higher Queue Position.~~

~~The deposit of \$50,000 shall be applied toward the costs incurred by the System Operator associated with the Interconnection Request and Long Lead Facility treatment, as well as, the costs of the Interconnection Feasibility Study and/or the Interconnection System Impact Study, including the cost of developing the~~

~~study agreements and their attachments, and the cost of developing the LGIA. For Interconnection Requests that are identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff, the deposit of \$50,000 also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS.~~

~~If, in the case of a request for NR Interconnection Service, the Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 after submitting its Interconnection Request, the additional deposit of \$10,000 shall be refundable; otherwise, that deposit shall be applied as provided in Section 3.1, including, toward the costs of any Interconnection Studies pursuant to the Interconnection Request, the cost of developing the study agreement(s) and associated attachment(s), and the cost of developing the LGIA. For Interconnection Requests that are identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. The portions of the deposit of \$10,000 that have not been applied as provided in this Section 3.4.1 also shall be refundable if (i) the Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within ten (10) Business Days of the Scoping Meeting, (ii) the Interconnection Customer that is eligible for inclusion in a CSIS withdraws the Interconnection Request, pursuant to Section 4.2.3.2.1, by the Cluster Entry Deadline, (iii) the Interconnection Customer that is eligible for inclusion in a CSIS requests, by the Cluster Entry Deadline, to be re-assigned a Queue Position at the bottom of the queue, pursuant to Section 4.2.3.2.1, in which case the unused balance of the deposit shall be applied toward the re-queued Interconnection Request in lieu of Site Control for NR Interconnection Service, or (iv) if the Interconnection Customer executes an LGIA.~~

The expected Initial Synchronization Date of the new Large Generating Facility, of the increase in capacity of the existing Generating Facility, or of the implementation of the Material Modification to the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the System Operator, unless ~~the Interconnection Customer~~Interconnection Customer demonstrates that such time required to actively engineer, permit and construct the new Large Generating Facility or increase in capacity of the existing Generating Facility or implement the Material Modification to the existing Generating Facility will take longer than the seven year period. Upon such demonstration, the Initial Synchronization Date may succeed the date the Interconnection Request is received by the System Operator by a period of greater than seven (7) years so long as ~~the Interconnection~~

~~Customer~~Interconnection Customer, System Operator, and Interconnecting Transmission Owner agree, such agreement shall not be unreasonably withheld.

3.4.32 Acknowledgment of Interconnection Request.

System Operator shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement. ~~With the System Operator's acknowledgement of a valid Interconnection Request, the System Operator shall provide to the Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2 or an Interconnection System Impact Study Agreement in the form of Appendix 3.~~

3.4.34 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid Interconnection Request until all items in Section 3.4.42 of this LGIP have been received by the System Operator during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.42 of this LGIP, the System Operator shall notify ~~the Interconnection Customer~~Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide the System Operator the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. ~~Failure by Interconnection Customer to comply with this Section 3.4.3 shall be treated in accordance with Section 3.7.~~In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, System Operator shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), \$5,000 of the application fee is forfeited to System Operator, and any unspent portion of the application fee, the study deposit, and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, System Operator shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, all interested Interconnection Customers, and any identified Affected Parties, or Internal Affected Parties as deemed

appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, System Operator may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, System Operator shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The System Operator must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, System Operator shall provide to Interconnection Customer a non-binding, updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this LGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7 of this LGIP) by System Operator, the initial deposit shall be forfeited to the System Operator, and the System Operator shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, System Operator shall initiate the Cluster Study described in Section 7 of this LGIP.

3.4.64 Cluster Study Scoping Meeting.

During the Customer Engagement Window~~Within ten (10) Business Days after receipt of a valid Interconnection Request,~~ System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties or Internal Affected Parties~~shall establish a date agreeable to Interconnection Customer, Interconnecting Transmission Owner, and any Affected Party~~ as deemed appropriate by the System Operator in accordance with applicable codes of

conduct and confidentiality requirements, ~~for a Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.~~

The purpose of the Scoping Meeting shall be (i) to discuss ~~the estimated timeline for completing all applicable Interconnection Studies, and~~ alternative interconnection options, (ii) to exchange pertinent information including any transmission data ~~and earlier study evaluations~~ that would reasonably be expected to impact such interconnection options, (iii) to discuss Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, as applicable; (iv) to analyze such information, ~~(iv) to determine the potential feasible Points of Interconnection,~~ and (v) to discuss any other information necessary to facilitate the administration of the Interconnection Procedures. ~~A PSCAD model is required for all wind and inverter-based Large Generating Facilities. If a PSCAD model is required for other Large Generating Facility types, the Parties shall discuss this at the Scoping Meeting. If the Interconnection Customer provided the technical data called for in Appendix 1, Attachment A (and Attachment A-1, if applicable) with the Interconnection Request, the Parties shall discuss the detailed project design at the Scoping Meeting.~~

The Parties will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) information regarding general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The Parties will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of Interconnection; ~~pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection.~~ The duration of the meeting shall be sufficient to accomplish its purpose.

If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, System Operator shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement in the form specified by System Operator prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customer.

~~Unless the Interconnection Request has been identified to be included in a CRPS or eligible for inclusion in a CSIS, within five (5) Business Days following the Scoping Meeting Interconnection Customer shall notify the System Operator, in writing, (i) of its election to pursue the Interconnection Feasibility Study or the Interconnection System Impact Study; (ii) if electing to pursue the Interconnection Feasibility Study, which of the alternate study scopes is being selected pursuant to Section 6.2; and (iii) the Point of Interconnection and any reasonable alternative Point(s) of Interconnection for inclusion in the attachment to the Interconnection Feasibility Study Agreement, or the Point of Interconnection for inclusion in the attachment to the Interconnection System Impact Study Agreement if the Interconnection Customer elects not to pursue the Interconnection Feasibility Study.~~

3.5 OASIS Posting.

3.5.1 OASIS Posting.

The System Operator will maintain on its OASIS a list of all Interconnection Requests in its Control Area. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested (i.e., CNR Interconnection Service or NR Interconnection Service); ~~and~~ (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed ~~(combined cycle, base load or combustion turbine and fuel type)~~; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of ~~the Interconnection Customer~~ Interconnection Customer until ~~the Interconnection Customer~~ Interconnection Customer executes an LGIA or requests that the System Operator and Interconnecting Transmission Owner jointly file an unexecuted LGIA with the Commission. Before participating in a Scoping Meeting with an Interconnection Customer that is also an Affiliate, the Interconnecting Transmission Owner shall post on OASIS an advance notice of its intent to do so. The System Operator shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to the System

Operator's OASIS site subsequent to the meeting between the System Operator, Interconnecting Transmission Owner, and Interconnection Customer to discuss the applicable study results. The System Operator shall also post any known deviations in the Large Generating Facility's Initial Synchronization Date.

3.5.2 Requirements to Post Interconnection Study Metrics

The System Operator will maintain on its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If the System Operator posts this information on its website, a link to the information must be provided on the System Operator's OASIS site. For each calendar quarter, the System Operator must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 [of this LGIP](#).

3.5.2.1 Interconnection [Cluster Study Feasibility Studies](#) Processing Time.

(A) Number of Interconnection Requests that had [Interconnection Feasibility Cluster](#) Studies completed ~~for~~ for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had [Interconnection Feasibility Cluster](#) Studies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than [two hundred and seventy \(270\) ninety \(90\)](#) Calendar Days after ~~receipt~~ [the close of the Customer Engagement Window by System Operator of the Interconnection Customer's executed Interconnection Feasibility Study Agreement](#),

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete [Interconnection Feasibility Cluster](#) Studies where such Interconnection Requests had executed [a Cluster Interconnection Feasibility Study Agreements](#) received by System Operator more than [two hundred and seventy \(270\) ninety \(90\)](#) Calendar Days before the reporting quarter end,

(D) Mean time (in days), [Interconnection Feasibility Cluster](#) Studies completed for the System Operator's Administered Transmission System during the reporting quarter, from the [commencement of the Cluster Study date when System Operator received the executed](#)

~~Interconnection Feasibility Study Agreement~~ to the date when System Operator provided the completed ~~Interconnection Feasibility Cluster~~ Study ~~Report~~ to ~~the~~ Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer.

(F) Percentage of ~~Interconnection Feasibility Cluster~~ Studies exceeding two hundred and seventy (270) ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this LGIP.

3.5.2.2 Cluster ReInterconnection System Impact sStudies Processing Time.

(A) Number of Interconnection Requests that had ~~Interconnection System Impact Cluster Res~~Studies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had ~~Interconnection System Impact SCluster Res~~studies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ~~two hundred and seventy (279) 90~~ Calendar Days after ~~receipt by~~ System Operator notifies of the Interconnection Customer's in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP~~executed Interconnection System Impact Study Agreement,~~

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies System Impact Studies where such System Operator notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP ~~Interconnection Requests had executed Interconnection System Impact Study Agreements received by System Operator~~ more than ninety two hundred and seventy (270) 90 Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies Interconnection System Impact Studies completed for the System Operator's Administered Transmission System during the reporting quarter, from the date when System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP ~~received the executed Interconnection System Impact Study Agreement~~ to the date when System Operator provided the completed Cluster Restudy Interconnection System Impact Study to ~~the~~ Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Restudy Report to Interconnection Customer,

(F) Percentage of Cluster Restudies Interconnection System Impact Studies exceeding ninety two hundred and seventy (27090) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this LGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate after receipt by System Operator of ~~the Interconnection Customer~~ Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by System Operator more than

ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed for the System Operator's Administered Transmission System during the reporting quarter, calculated from the date when System Operator received the executed Interconnection Facilities Study Agreement to the date when System Operator provided the completed Interconnection Facilities Study to ~~the Interconnection Customer~~ Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Study completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer.

~~(E)~~ Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this LGIP.

3.5.2.4 Interconnection Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of any Interconnection Studies or execution of any Interconnection Study Agreements,

(C) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of a Cluster n ~~Interconnection System Impact~~ Study,

(D) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of an Interconnection Facility Study,

(E) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after completion of an Interconnection Facilities Study or after completion of the Cluster Study if the Facilities Study was waived but before execution of an LGIA or Interconnection Customer requests the filing of an unexecuted LGIA,

(F) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after execution of an LGIA or Interconnection Customer requests the filing of an unexecuted, new LGIA.

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when System Operator received the request to withdraw from the queue.

3.5.3 System Operator is required to post on its website the measures in paragraph Section 3.5.2.1(A) through Section paragraph 3.5.2.4(G) for each calendar quarter within thirty (30) Calendar days of the end of the calendar quarter. System Operator will keep the quarterly measures posted on its website for three (3) calendar years with the first required report to be the first quarter of 2020. If System Operator retains this information on its website, a link to the information must be provided on System Operator's OASIS site.

3.5.4 In the event that any of the values calculated in Sections paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds twenty-five 25-percent (25%) for two (2) consecutive calendar quarters, System Operator will have to comply with the measures below for the next four (4) consecutive calendar quarters and must continue reporting this information until System Operator reports four consecutive calendar quarters without the values calculated in Sections 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25twenty-five percent (25%) for two (2) consecutive calendar quarters:

(i) System Operator must submit a report to the Commission describing the reason for each Cluster Study, Cluster Restudy, or individual Interconnection Facilities Study study or group of clustered studies pursuant to one or more an Interconnection Request(s) that exceeded its deadline (*i.e.*, 45270, 90 or 180 Calendar Delays) for completion (excluding any allowance for Reasonable Efforts). System Operator must describe the reasons for

each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within [forty-five \(45\) Calendar Days](#) of the end of the calendar quarter.

(ii) System Operator shall aggregate the total number of employee hours and third party consultant hours expended towards Interconnection Studies for its Administered Transmission System that quarter and post on its website. If System Operator posts this information on its website, a link to the information must be provided on System Operator's OASIS site. This information is to be posted within [thirty \(30\) Calendar Days](#) of the end of the calendar quarter.

3.6 Coordination with [Internal](#) Affected Systems.

The System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on [Internal](#) Affected Systems with [Internal](#) Affected Parties and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. The System Operator will include such [Internal](#) Affected Parties in all meetings held with ~~the Interconnection Customer~~[Interconnection Customer](#) as required by this LGIP. ~~The Interconnection Customer~~[Interconnection Customer](#) will cooperate with the System Operator and Interconnecting Transmission Owner in all matters related to the conduct of studies and the determination of modifications to [Internal](#) Affected Systems. ~~The Interconnection Customer~~[Interconnection Customer](#) shall be responsible for the costs associated with the studies or portions of studies associated with the [Internal](#) Affected Systems, including costs associated with the requirements of Section I.3.9 of the Tariff. Payment and refunds associated with the costs of such studies will be coordinated between ~~the Interconnection Customer~~[Interconnection Customer](#) and the [Internal](#) Affected Party(ies) unless such costs are included in the costs of the Interconnection Study, in which case, the [Internal](#) Affected Party(ies) shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the respective Interconnection Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Studies.

The System Operator shall seek the cooperation of all [Internal](#) Affected Parties in all matters related to the conduct of studies and the determination of modifications to [Internal](#) Affected Systems. Nothing in the foregoing is intended to authorize ~~the Interconnection Customer~~[Interconnection Customer](#) to receive

interconnection, related facilities or other services on an Internal Affected System, and provision of such services must be handled through separate arrangements with Internal Affected Party(ies).

3.6A Coordination with Affected Systems Outside New England Control Area.—

System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with System Operator and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

An Interconnecting Transmission Owner in the New England Control Area whose system may be impacted by a proposed interconnection on an Affected System shall cooperate with the System Operator and Affected System to whom a proposed interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Interconnecting Transmission Owner's portion of the New England Transmission System.

3.6A.1 Initial Notification.

System Operator must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, System Operator must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6A.2 Notification of Cluster Restudy.

System Operator must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6A.3 Notification of Cluster Restudy Completion.

Upon the completion of System Operator's Cluster Restudy, System Operator will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten

(10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, System Operator must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information.

3.7 Withdrawal.

~~The Interconnection Customer~~Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to System Operator, which System Operator will transmit to Interconnecting Transmission Owner and any Affected Parties. In addition, if ~~the Interconnection Customer~~Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), the System Operator shall deem the Interconnection Request to be withdrawn and shall provide written notice to ~~the Interconnection Customer~~Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Except as otherwise provided elsewhere in this LGIP, upon receipt of such written notice, ~~the Interconnection Customer~~Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify the System Operator of its intent to pursue Dispute Resolution, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

Withdrawal shall result in the loss of ~~the Interconnection Customer~~Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the System Operator may eliminate ~~the Interconnection Customer~~Interconnection Customer's Interconnection Request from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to System Operator, Interconnecting Transmission Owner, and any Affected Parties all costs prudently incurred with respect to that Interconnection Request prior to System Operator's receipt of notice described above. ~~The Interconnection Customer~~Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by System Operator under Section 3.7 of this LGIP, The System Operator shall (i) update the OASIS Queue Position posting; and (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP. Except as otherwise provided elsewhere in this LGIP, the System Operator and the Interconnecting Transmission

Owner shall ~~arrange to~~ refund to ~~the~~ Interconnection Customer any refundable portion of ~~the~~ Interconnection Customer's study deposit or study payments that exceeds the costs incurred, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations, or arrange to charge to ~~the Interconnection Customer~~Interconnection Customer any amount of such costs incurred that exceed ~~the Interconnection Customer~~Interconnection Customer's deposit or study payments, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations. The System Operator and Interconnecting Transmission Owner shall refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, System Operator, subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information, shall provide, at Interconnection Customer's request, all information developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does

not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.4.1.1 of this LGIP; or (2) as follows in (a)–(d):

(a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.

(b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.

(c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

For a single Cluster, System Operator shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the LGIA or requested the LGIA to be filed unexecuted. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, System Operator will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the *pro forma* LGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA or requesting to have their LGIA filed unexecuted. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with the System Operator's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. System Operator shall post the balance of Withdrawal Penalty funds held by System Operator but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, System Operator shall first apply such Interconnection Customer's Withdrawal Penalty funds to any

restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with the System Operator's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, System Operator will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this LGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an LGIA, or requested the LGIA to be filed unexecuted.

If System Operator's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, System Operator will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). System Operator must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. For the withdrawn Interconnection Customers that System

Operator determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, System Operator will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If the System Operator's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, System Operator will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA (or filed unexecuted), as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution (or filing unexecuted) of an LGIA, as described in Section 3.7.1.2.3(b) of this LGIP.

As discussed in Section 3.7.1.2.4 of this LGIP, System Operator will amend executed (or filed unexecuted) LGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the pro forma LGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes, or requests the unexecuted filing of, its LGIA, the System Operator will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 11.5 of the pro forma LGIA, the System Operator will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). System Operator shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; (2) executed an LGIA; or (3) request an LGIA to be filed unexecuted. System Operator will perform the financial impact calculation using the following steps.

First, System Operator must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed or have been requested to be filed unexecuted. Next, System Operator shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

(1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);

(2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);

(3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);

(4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution or filing of an unexecuted LGIA;

(5) the restudy to the executed, or filed unexecuted, LGIA (if a restudy was performed after the Interconnection Facilities Study phase and before the execution or filing of an unexecuted LGIA).

If, based on the above calculations, System Operator determines:

(i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and

(ii) after the impacted Interconnection Customer's LGIA was executed or filed unexecuted, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade.

then System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 11.5 of the *pro forma* LGIA.

If System Operator determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, System Operator will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this LGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, System Operator will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

System Operator will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. The System Operator will

determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customer's shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by System Operator.

3.7.1.2.4 Amending LGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted, System Operator must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to the Interconnecting Transmission Owner.

Where an Interconnection Customer executes the LGIA (or requests the filing of an unexecuted LGIA) and is later withdrawn or its LGIA is terminated, System Operator must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to Interconnecting Transmission Owner.

Any repayment by Interconnecting Transmission Owner to Interconnection Customer under Article 11.3 of the pro forma LGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade

costs paid and associated financial security provided to Interconnecting Transmission Owner under Article 11.5 of the pro forma LGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, System Operator or Interconnecting Transmission Owner, as appropriate, will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

System Operator shall identify Contingent Facilities before the execution of the LGIA by reviewing the Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or the list of transmission projects planned or proposed for the New England Transmission System to identify those upgrades that are not yet in service but upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Planned or proposed upgrades will be identified as Contingent Facilities for an Interconnection Request if the absence of those upgrades would cause additional Adverse System Impacts to be identified in the Cluster-System Impact Study, using the same conditions as those used in the System Impact-Cluster Study. The thresholds for identification of Adverse System Impact for the purpose of identifying Contingent Facilities will be as follows: (i) an increase in the flow in an element by at least two percent of the element's rating and that causes that flow to exceed that element's appropriate thermal rating by more than two percent where the appropriate thermal rating is the normal rating with all lines in service and the long time emergency or short time emergency rating after a contingency; (ii) a change of at least one percent in a voltage that causes a voltage level that is higher or lower than the appropriate high or low rating by more than one percent; (iii) an increase of at least a one percent change in the short circuit current experienced by an element and that causes a short circuit stress that is higher than an element's interrupting or withstand capability; or (iv) the

introduction of a violation of stability criteria. Contingent Facilities that are identified during the evaluation of the Interconnection Request shall be documented in the Interconnection System Impact Cluster Study report or the LGIA for the Large Generating Facility. System Operator shall also provide, upon request of ~~the Interconnection Customer~~ Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time for each identified Contingent Facilities when this information is readily available and not commercially sensitive.

3.9 Penalties for Failure to Meet Study Deadlines.

(1) System Operator or Interconnecting Transmission Owner shall be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this LGIP. The responsibilities of System Operator and Interconnecting Transmission Owner in the conduct of such studies are set forth in the Transmission Operating Agreement and ISO New England Planning Procedures. System Operator or Interconnecting Transmission Owner must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from System Operator's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost.- System Operator or Interconnecting Transmission Owner must pay the penalty for a late Affected Systems Study on a pro rata basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. Except as provided below, the study delay penalty for each late study shall be distributed no later than forty-five (45) Calendar Days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: \$1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this LGIP; \$2,000 per Business Day for delays of Cluster Restudies beyond the applicable deadline set forth in this LGIP; \$2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this LGIP; and \$2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this LGIP. The total amount of a penalty assessed under this Section shall not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the

Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Interconnection Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that System Operator or Interconnecting Transmission Owner collects for conducting the Affected System Study.

(3) System Operator or Interconnecting Transmission Owner may appeal to the Commission any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) Calendar Days after the late study has been completed. While an appeal to the Commission is pending, System Operator or Interconnecting Transmission Owner shall remain liable for the penalty, but need not distribute the penalty until forty-five (45) Calendar Days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of the Commission's decision on the appeal are no longer pending before the Commission. The Commission may excuse System Operator or Interconnecting Transmission Owner from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the System Operator or Interconnecting Transmission Owner misses the applicable study deadline.

(5) If (a) System Operator or Interconnecting Transmission Owner needs to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for System Operator or Interconnecting Transmission Owner missing the original deadline.

(6) No penalties shall be assessed until the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after the Commission-approved effective date of System Operator's filing made in compliance with the Final Rule in Docket No. RM22-14-000.

(7) System Operator and Interconnecting Transmission Owner must maintain on its OASIS or its public website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, System Operator and Interconnecting Transmission Owner must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. System Operator and Interconnecting Transmission Owner must post on their respective OASIS or website these penalty amounts for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. System Operator and Interconnecting Transmission Owner must maintain the quarterly measures posted on their respective OASIS or website for three (3) calendar years with the first required posting to be the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after System Operator transitions to the Cluster Study Process.

SECTION 4. ~~QUEUE POSITION~~INTERCONNECTION REQUEST EVALUATION PROCESS.

4.1 ~~General~~Queue Position.

4.1.1 Assignment of Queue Position.

System Operator shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request provided all items required pursuant to the provisions of Section 3.4 of this LGIP are received. A higher Queue Position assigned to an Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of a Cluster initiated earlier in time than an instant Cluster shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Cluster.

~~;~~ ~~provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form in Appendix 1 to this LGIP, and Interconnection Customer provides such information in accordance with Section 3.4.3, then System Operator shall assign Interconnection Customer a Queue Position based on the date the application form was originally submitted.~~

~~Except as otherwise provided in this Section 4.1, the Queue Position of each Interconnection Request will be used to determine: (i) the order of performing the Interconnection Studies; (ii) the order in which Interconnection Requests will be eligible for inclusion in the CSIS and CFAC; (iii) the order in which Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service will be included in the CNR Group Study; and (iv) the cost responsibility for the facilities and upgrades necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is lower queued.~~

~~Any ongoing A-CSIS or CFACs as of June 13, 2024~~ shall include the Interconnection Requests that were identified as eligible to participate in the CSIS and CFAC and met the associated requirements for inclusion in said studies in accordance with Section 4.2 of this LGIP. ~~An~~ Interconnection Requests included in such a CSIS or CFAC cluster shall consider a higher queued Interconnection Requests not included in the cluster. A lower queued Interconnection Request that is not included in such a CSIS or CFAC the cluster shall consider all of the higher queued Interconnection Requests that are part of the such a CSIS or CFAC cluster.

4.1.1 Considerations Related to Order of Interconnection Requests in the CNR Group Study **Achieving CNR Interconnection Service**

Participation in a CNR Group Study ~~was required~~shall be a prerequisite to achieve CNR Interconnection Service and CNI Interconnection Service prior to September 4, 2024. ~~The CNR Group Study (to be conducted in accordance with Section III.13.1.1.2.3 of the Tariff) shall include all Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service that have an associated New Capacity Show of Interest Form that was submitted during the New Capacity Show of Interest Submission Window for the purpose of qualification for participation in the same Forward Capacity Auction for a Capacity Commitment Period, in accordance with Section III.13.1.1.2 of the Tariff, as well as Long Lead Facilities in accordance with Section 3.2.3. Where a CNR Interconnection Service or CNI Interconnection Service Interconnection Request with a lower Queue Position is associated with a New Capacity Show of Interest Form that was submitted for qualification to participate in a particular Forward Capacity Auction for a Capacity Commitment Period and another CNR Interconnection Service or CNI Interconnection Service Interconnection Request with a higher Queue Position is not associated with a~~

~~New Capacity Show of Interest Form that was submitted for qualification until a subsequent Forward Capacity Auction, the CNR Interconnection Service or CNI Interconnection Service Interconnection Request with the lower Queue Position will be included in the CNR Group Study prior to the CNR Interconnection Service or the CNI Interconnection Service Interconnection Request with the higher Queue Position.~~

~~However, where an Interconnection Customer with a CNR Interconnection Service Interconnection Request submits a New Capacity Show of Interest Form for qualification to participate in a particular Forward Capacity Auction for a Capacity Commitment Period and identifies in that New Capacity Show of Interest Form one or more Elective Transmission Upgrade Interconnection Request(s) for an Internal ETU that is not already included in the network model pursuant to Section III.12 of the Tariff for the particular Forward Capacity Auction, the CNR Interconnection Request will be included in the CNR Group Study at the lowest of the CNR Interconnection Request's or its associated Elective Transmission Upgrade Interconnection Request(s) for the Internal ETU's Queue Position. Where multiple Interconnection Customers' CNR Interconnection Service Interconnection Requests are associated with the same lower Queue Position for an Elective Transmission Upgrade Interconnection Request for an Internal ETU in the CNR Group Study, the CNR Interconnection Request's Queue Position will be used as the tie breaker to dictate the relative order in which the CNR Interconnection Service Interconnection Request will be included in the CNR Group Study.~~

~~An Interconnection Customer with a Generating Facility or that is associated with an Import Capacity Resource in the case of an Elective Transmission Upgrade that is treated as a Conditional Qualified New Resource, in accordance with Section III.13.1.1.2.3(f) of the Tariff, may be responsible for the facilities and upgrades associated with an overlapping CNR Interconnection Service or CNI Interconnection Service Interconnection Request having a higher Queue Position if the Conditional Qualified New Resource obtains a Capacity Supply Obligation through a Forward Capacity Auction under Section III.13.2.5 of the Tariff.~~

~~An Interconnection Customer with a lower queued CNR Interconnection Service Interconnection Request for a Generating Facility or CNI Interconnection Service Interconnection Request for an Elective Transmission Upgrade that has achieved Commercial Operation and obtained CNR Interconnection Service or CNI Interconnection Service, respectively, may be responsible for additional facilities and upgrades if the related higher queued CNR Interconnection Service or CNI Interconnection Service~~

~~Interconnection Request for a Long Lead Facility achieves Commercial Operation and obtains CNR Interconnection Service or CNI Interconnection Service, respectively. In such circumstance, Appendix A to the Interconnection Agreement for the lower queued CNR Interconnection Service or CNI Interconnection Service Interconnection Request shall specify the facilities and upgrades for which the Interconnection Customer shall be responsible if the higher queued CNR Interconnection Service or CNI Interconnection Service Interconnection Request for a Long Lead Facility achieves Commercial Operation and obtains CNR Interconnection Service or CNI Interconnection Service, respectively.~~

After September 4, 2024, the Transitional Cluster Study, Transitional CNR Group Study or Cluster Study processes shall be the only means for Generating Facilities subject to the Interconnection Procedures to achieve CNR Interconnection Service.

~~Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included Base Case for the Transitional Cluster Study or a Cluster Study in the CNR Group Study in order of submission/approval (~~the dates of submission shall be used for Interconnection Requests submitted to the System Operator and~~ the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates) provided that such Section I.3.9 approval was received at least ninety (90) Calendar Days after the formation of the Base Case consistent with Section 2.3 of this LGIP. ~~Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in the CNR Group Study in order of submission/approval (the dates of submission shall be used for Interconnection Requests submitted to the System Operator and the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates).~~ ~~Interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates that have not yet received the System Operator's approval for their Proposed Plan Applications~~~~

~~under Section I.3.9 of the Tariff at the commencement of the CNR Group Study shall be included in the CNR Group Study after all Interconnection Requests submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and all interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff have been included in the CNR Group Study in order of submission to the Interconnecting Transmission Owners or their distribution company affiliates.~~

4.2 General Study Process~~Clustering~~.

~~Clustering~~ Interconnection Studies performed using clustering shall be conducted in such a manner to ensure the efficient implementation of the applicable Regional System Plan in light of the New England Transmission System's capabilities for the time period under study ~~—~~and consistent with Good Utility Practice.

The System Operator may use subgroups in the Cluster Study Process. If the System Operator elects to use subgroups in the Cluster Study Process, System Operator must publish the criteria used to define and determine subgroups on its OASIS or public website prior to the opening of a Cluster Request Window.~~study an Interconnection Request serially to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.~~

4.2.1 Triggers for CRPS~~Studying Interconnection Requests in Clusters~~.

The System Operator, at its discretion, may initiate a CRPS pursuant to Section 15 of Attachment K, Section II of the Tariff, when it identifies any of the following interconnection circumstances: ~~of the System Operator, Interconnection Requests will be studied in clusters for the purpose of the Interconnection System Impact Study and the Interconnection Facilities Study when the combination of the following circumstances is present in the interconnection queue: (a) there are~~

- (1) the withdrawal from the Cluster Study Process of two (2) or more Interconnection Requests for resources in the same electrical part of the New England Control Area; or
- (2) where procurements are underway for resources in the same electrical part of the New England Control Area;

and, none of the resources described in (1) or (2) above will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC.

System Operator may also initiate a CRPS in an electrical part of the New England Control Area where System Operator previously identified the need for a CETU to interconnect new resources.
~~two (2) or more Interconnection Requests without completed Interconnection System Impact Studies in the same electrical part of the New England Control Area based on the requested Point of Interconnection, and (b) the System Operator determined that none of the Interconnection Requests identified in (a) of this Section 4.2.1 will be able to interconnect, either individually or on a cluster basis, without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC.~~

4.2.2 Notice of Initiation of CRPS.~~Cluster Studies.~~

When the System Operator identifies the interconnection circumstances in combination of the triggers specified in Section 4.2.1 of this LGIP ~~are present in the interconnection queue~~, the System Operator will provide notice to the Planning Advisory Committee of the initiation of a CRPS~~cluster for studying certain Interconnection Requests under the Regional System Planning Process~~ in accordance with Section 15.1 of Attachment K, Section II of the Tariff. The System Operator will perform a CRPS to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources for which the interconnection circumstances described in Section 4.2.1 of this LGIP were identified, consistent with Section 15.2 of Attachment K. The results of the CRPS performed under Attachment K will inform the Cluster entry process and requirements for Interconnection Requests for Generating Facilities that need the CETU to meet the interconnection standards in Schedules 22, 23, or 25 of the OATT. The System Operator will provide notice to the Interconnection Customer~~Interconnection Customers with Interconnection Request identified as needing the CETU to meet the interconnection standards prior to the Cluster Scoping Meeting.~~

~~– The System Operator also will provide notice to the Interconnection Customers with Interconnection Requests identified in Section 4.2.1 of this LGIP, and at the time the System Operator notifies the Planning Advisory Committee of the initiation of a cluster, all study work for these Interconnection Requests will be suspended and they will proceed under Section 4.2 of this LGIP. The System Operator~~

~~will conduct Clustering in two phases. In the first phase, the System Operator will perform a CRPS to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources proposed in the Interconnection Requests considered in Section 4.2.1 of this LGIP, consistent with Section 15.2 of Attachment K. In the second phase, the System Operator will conduct a CSIS and a CFAC to study the Interconnection Requests identified through the CRPS that have elected to participate in the CSIS together with the identified CETU and associated system upgrades, in accordance with this LGIP.~~

~~Within sixty (60) Calendar Days of the System Operator's notice to the Planning Advisory Committee of the initiation of the use of Clustering for studying certain Interconnection Requests under the Regional System Planning Process in accordance with Section 15.1 of Attachment K, Section II of the Tariff, Interconnection Customers with Interconnection Requests identified in Section 4.2.1 shall submit the technical data called for in Appendix 1, Attachment A (and Attachment A-1, if applicable), to support the conduct of the CRPS.~~

4.2.3 Requirements for CETU-Eligible Interconnection Requests~~Cluster Interconnection System Impact Study.~~

4.2.3.1 Cluster Entry Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1.1 CRPS Completed Prior to Transitional Cluster Study For a CRPS that was completed prior to the start of the Transitional Cluster Study and for which a CSIS has not commenced, all Interconnection Requests identified in the final CRPS report, by Queue Position as assigned in accordance with Section 4.1 of this LGIP, shall be eligible to elect to enter the Transitional Cluster Study under Section 5.1.1.2 of this LGIP. By the deadline to return the Transitional Cluster Study Agreement, an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to elect to enter the Transitional Cluster Study must, in writing:

1. withdraw the Interconnection Request, pursuant to Section 3.7; or
2. request to be included in the Transitional Cluster Study, meet the requirements specified in Section 5.1.1.2 (except for the Commercial Readiness Deposit), and submit to the System Operator the initial CETU Participation Deposit specified in Section 4.2.3.2 of this LGIP. Such deposit shall be in cash.

If, by the deadline to submit the Transitional Cluster Study Agreement, Interconnection Customer fails to withdraw its Interconnection Request or request to be included in the Transitional Cluster Study and meet the requirements specified in this Section 4.2.3.1.1, then the Interconnection Request will be automatically withdrawn from the interconnection queue without further opportunity to cure. If Interconnection Customer elects option (2) above and does not meet all of the entry requirements specified in this Section 4.2.3.1.1 by the deadline to submit the Transitional Cluster Study Agreement, the Interconnection Request will be automatically withdrawn from the interconnection queue as of that date without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of an otherwise incomplete Transitional Cluster Study entry requirements submission, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

4.2.3.1.2 CRPS Initiated After the Transitional Cluster Study All Interconnection Requests that, based on a final CRPS report that the System Operator has completed pursuant to Attachment K after the Transitional Cluster Study, reasonably expect to, or have been notified by System Operator that they need, the CETU and associated system upgrades identified in that final CRPS report must request to be included in the Cluster Study, meet the requirements specified in Section 5.1.1.2 (with the exception of the Commercial Readiness Deposit), and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this LGIP. Such deposit shall be in cash. If Interconnection Customer does not meet all of the entry requirements specified in this Section 4.2.3.1.2 by the close of the Cluster Request Window, the Interconnection Request will be automatically withdrawn from the interconnection queue as of the close of the Cluster Request Window without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of the incomplete Interconnection Request, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

Where a CRPS under Attachment K has not been completed prior to the opening of a Cluster Entry Window, Interconnection Requests in the electrical part of the system subject to the CRPS will be eligible to participate in the next Cluster Study following completion of the CRPS.

4.2.3.2.4.2.3.1 Notice of Cluster Interconnection System Impact Study Entry Deadline.

At the same time the System Operator issues the final CRPS report to the Planning Advisory Committee in accordance with Section 15.4 of Attachment K, the System Operator will provide notice of the entry deadline for the CSIS (the “Cluster Entry Deadline”) to the Interconnection Customers with

~~Interconnection Requests identified in the final CRPS report as eligible to participate in the CSIS. The Cluster Entry Deadline shall be thirty (30) Calendar Days from the posting of the final CRPS report.~~

~~4.2.3.2 Cluster Interconnection System Impact Study Entry Requirements.~~

~~All Interconnection Requests identified in the final CRPS report, by Queue Position as assigned in accordance with Section 4.1 of this LGIP, shall be eligible to be studied together in the CSIS.~~

~~4.2.3.2.1 Cluster Entry Deadline Election.~~ ~~By the Cluster Entry Deadline, an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to be studied in the CSIS must, in writing:~~

- ~~1. withdraw the Interconnection Request, pursuant to Section 3.7;~~
- ~~2. request that the System Operator re-assign the Interconnection Customer's Interconnection Request a new Queue Position at the bottom of the queue as of the Cluster Entry Deadline in relative order with any other Interconnection Requests requesting to be re-queued under this Section 4.2.3.2.1; or~~
- ~~3. request to be included in the CSIS and meet the CSIS entry requirements specified in Section 4.2.3.2.2.~~

~~If, by the Cluster Entry Deadline, Interconnection Customer fails to withdraw its Interconnection Request, request to be re-assigned a Queue Position at the bottom of the queue, or request to be included in the CSIS and meet the CSIS entry requirements, then the Interconnection Request will be automatically withdrawn from the interconnection queue as of the Cluster Entry Deadline without further opportunity to cure. If Interconnection Customer elects option (iii) and does not meet all of the CSIS entry requirements specified in Section 4.2.3.2.2 by the Cluster Entry Deadline, the Interconnection Request will be automatically withdrawn from the interconnection queue as of the Cluster Entry Deadline without further opportunity to cure. If an initial Cluster Participation Deposit had been submitted as part of the incomplete CSIS entry requirements submission, the initial Cluster Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.~~

~~4.2.3.2.2 CSIS Entry Requirements.~~ ~~An Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to be studied in the CSIS that elects option (iii) under Section 4.2.3.2.1 must meet the following CSIS entry requirements in order to be included in the CSIS:~~

~~(1) Cluster System Impact Study Application.~~ By the Cluster Entry Deadline, Interconnection Customer must submit to the System Operator a completed Cluster System Impact Study Application in the form specified in Appendix 1, Attachment A-2 of this LGIP, requesting the inclusion of the Interconnection Request in the CSIS;

~~(2) System Impact Study Agreement, Study Deposit, Technical Data, and Site Control.~~

~~If an Interconnection Feasibility Study Agreement or an Interconnection System Impact Study Agreement has been executed prior to the issuance of the final CRPS report identifying the Interconnection Request as eligible for inclusion in a CSIS, such agreement shall terminate upon execution of a new Interconnection System Impact Study Agreement in accordance with this Section 4.2.3.2.2, and any unused balance of the study deposit associated with the terminated agreement shall be applied toward the study deposit associated with the new Interconnection System Impact Study Agreement.~~

~~Within fifteen (15) Business Days following the Cluster Entry Deadline, the System Operator and Interconnecting Transmission Owner will provide to Interconnection Customer an Interconnection System Impact Study Agreement, including a non-binding good faith estimate of the costs and timeframe for commencing and completing the CSIS. The Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to the System Operator no later than thirty (30) Calendar Days after receipt along with continued demonstration of Site Control, the technical data called for in Appendix 1, Attachment A (and Attachment A-1, if applicable), and a refundable study deposit, to the extent that any additional study deposit is required, in accordance with Section 7.2 of this LGIP.~~ CETU Eligible Interconnection Requests

~~(3) Cluster Participation Deposit for the CSIS.~~ By the close of the Cluster Entry Deadline Request Window, Interconnection Customer ~~also~~ must submit to the System Operator, for an CETU eligible project, a initial Cluster Participation Ddeposit equal to five (5) percent of the Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CRPS report. If the System Operator subsequently identifies that an Internal ETU has met the requirements to take the place of a CETU, or portion thereof, pursuant to Sections s 5.1.1.2 and 7.34.2.3.4 of this LGIP, the initial CETU~~Cluster~~ Participation Deposit will be reduced to exclude the costs associated with the CETU, or portion thereof, that is being replaced by the Internal ETU, and ~~the Interconnection Customer~~Interconnection Customer shall be refunded the

corresponding amount. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The initial CETU Participation Deposit ~~Cluster Participation Deposit~~ will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this LGIP) to Interconnection Customer with an Interconnection Request that met the cluster entry requirements: (i) if the CETU ~~SIS~~ is initially undersubscribed by more than ten (10) percent of the quantity of megawatts that the CETU developed through the CRPS was designed to enable and ~~the Interconnection Customer~~ Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, before the Cluster Study ~~CSIS~~ starts, (ii) if the CETU ~~SIS~~ is initially oversubscribed as described in Section 4.2.3.3.2 of this LGIP (e.g., the CETU developed through the CRPS is designed to enable 1,000 MW and more than 1,000 MW meet the Cluster Study or Transitional Cluster Study ~~CSIS~~ entry requirements ~~by the Cluster Entry Deadline~~), in which case the CETU Participation Deposit ~~Cluster Participation Deposits~~ will be refunded to Interconnection Customers with Interconnection Requests corresponding to the oversubscribed megawatt quantities, (iii) if the cost estimates for the CETU and the associated system upgrades provided in the final CRPS report for the entire cluster have increased by twenty-five (25) percent or more when compared to the cost estimates provided in the draft Transitional Cluster Study Report, draft Cluster Study ~~CSIS R~~ report, or the draft Facilities Study ~~CFAC R~~ report and ~~the Interconnection Customer~~ Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within thirty (30) Calendar Days after receipt of the draft Transitional Cluster Study Report, draft ~~CSIS-Cluster Study R~~ report or the draft CFAC Facilities Study ~~R~~ report in accordance with Sections 7.35 and 8.3 of this LGIP, respectively, (iv) if at the time the Interconnection Customer ~~Interconnection Customer~~ with an Interconnection Request included in the CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP, or (v) if all Interconnection Requests included in the cluster withdraw from the interconnection queue, (iv) if less than two (2) Interconnection Requests included in the CSIS or CFAC remain in the interconnection queue during the CSIS or CFAC, as applicable, in which case, the CSIS or the CFAC terminates and the remaining Interconnection Request proceeds in serial queue order, (v) at the time the Interconnection Customer with an Interconnection Request included in the CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP, (vi) if no Interconnection Customer with an Interconnection Request included in the cluster executes an Interconnection Agreement and provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP, or (vii) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the ~~CETU Participation Deposit~~ ~~initial Cluster Participation Deposit~~ shall be non-refundable if ~~the Interconnection Customer~~ Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue at any time after the Customer Engagement Window ~~Cluster Entry Deadline~~. The non-refundable ~~CETU Participation Deposit~~ ~~initial Cluster Participation Deposits~~ shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to ~~the Interconnection Customer~~ Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.2.3.3 CETU Filling and Oversubscription

For purposes of the Transitional Cluster Study, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area that the System Operator previously identified as needing the CETU identified in the final CRPS report and that met the Transitional Cluster Study entry requirements by the Cluster Request Window up to the approximate megawatt quantity identified in the final CRPS report as potentially enabled by the CETU. The Interconnection Requests will be included Transitional Cluster Study in queue order, based on the Queue Positions assigned in accordance with Section 4.1 of this LGIP, relative to other eligible Interconnection Requests. In the event that the CETU is filled and lower queued Interconnection Requests remain, such requests shall be withdrawn by System Operator, all remaining deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

For Cluster Studies, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area submitted during the next Cluster Request Window following the publication of the final CRPS report that the System Operator determines need the CETU identified in the final CRPS report and meet the Cluster Study entry requirements by the close of the Cluster Entry Window up to the approximate megawatt quantity identified in the final CRPS as potentially enabled by the CETU. If the Interconnection Requests identified by the System Operator as needing the CETU identified in the final CRPS report that elect to enter the -Cluster Study exceed the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report, the System Operator shall fill the

CETU first with Interconnection Requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals. In the event that the CETU is filled and additional Interconnection Requests are not able to be included, such requests will not proceed into the Cluster Study, all deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.**Cluster Filling, Oversubscription and Backfilling Upon Withdrawal.**

~~**4.2.3.3.1 Cluster Filling.** The CSIS shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area relative to the CETU identified in the final CRPS report that do not yet have a completed Interconnection System Impact Study and met the CSIS entry requirements by the Cluster Entry Deadline up to the approximate megawatt quantity identified in the final CRPS report as potentially enabled by the CETU. The Interconnection Requests will be included in the CSIS in queue order, based on the Queue Positions assigned in accordance with Section 4.1 of this LGIP, relative to other eligible Interconnection Requests.~~

~~**4.2.3.3.2 Cluster Oversubscription.** If an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to participate in a CSIS met the CSIS entry requirements and therefore would have been eligible for inclusion in the CSIS but is excluded as a result of the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report having been exhausted in queue order under Section 4.2.3.3.1, (i) the initial Cluster Participation Deposit will be refunded to the Interconnection Customer, and (ii) the Interconnection Request will maintain its Queue Position. If there are two (2) or more such Interconnection Requests after the CSIS is filled, the System Operator will initiate another cluster to identify the transmission infrastructure to enable the interconnection of another round of Interconnection Requests consistent with Section 15.1 of Attachment K.~~

~~**4.2.3.3.3 Cluster Backfilling Upon Withdrawal.** Upon withdrawal of an Interconnection Request that is included in the CSIS, the System Operator will backfill the CSIS, in queue order, with later queued Interconnection Requests consistent with the methodology used to fill the original CSIS as specified in Section 4.2.3.3.1 of this LGIP. The System Operator will notify all Interconnection Customers with Interconnection Requests identified by the System Operator as eligible for backfilling that the respective Large Generating Facility (or part thereof) proposed in the Interconnection Request is eligible to participate in the CSIS, and the Interconnection Customer shall have thirty (30) Calendar Days from receipt of System Operator's notice to withdraw its Interconnection Request, request to be re-assigned a~~

Queue Position at the bottom of the queue, or accept the inclusion of the Interconnection Request (or part thereof, in which case the Interconnection Customer shall modify the Interconnection Request to reflect the appropriate reduction) in the CSIS and meet the CSIS entry requirements, consistent with Section 4.2.3.2 of this LGIP. If the Interconnection Customer does not make one of these three elections and complete the associated requirements by the thirtieth Calendar Day, the System Operator shall automatically withdraw the Interconnection Request from the interconnection queue without further opportunity to cure and consider other later-queued Interconnection Requests.

4.2.3.4 Scope of Cluster Interconnection System Impact Study. Except as otherwise provided in this Section 4.2.3.4, the CSIS shall be conducted in accordance with Sections 7.3 and 7.4 of this LGIP. The Study Case developed for the CSIS shall also include the CETU and associated system upgrades identified in the final CRPS report. An Internal ETU can be considered, and included in the CSIS, in place of a CETU, or portion thereof, if all of the Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated in the Cluster Application Form or with the executed Interconnection System Impact Study Agreement that they have a contractual commitment in place providing for the Interconnection Customers to fund and the right to use the Internal ETU. The CSIS shall evaluate the proposed interconnections to the New England Transmission System under the NC Interconnection Standard consistent with Section 3.2.2 of this LGIP and as detailed in the ISO New England Planning Procedures. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CSIS shall consist of the analysis specified in Section 7.3 of this LGIP except for analysis associated with an Interconnection Feasibility Study or a preliminary, non-binding, analysis. An Interconnection Customer with an Interconnection Request being studied as part of the CSIS cannot elect to have the Interconnection Feasibility Study or a preliminary, non-binding, analysis performed as part of the CSIS.

4.2.3.5. Restudy of Cluster Interconnection System Impact Study. In addition to the circumstances specified in Section 7.6 of this LGIP, a re-study of the CSIS is required due to the withdrawal of an Interconnection Request that had been included in the CSIS. Upon withdrawal of an Interconnection Request that had been included in the CSIS, the System Operator will backfill the CSIS with eligible Interconnection Requests pursuant to Section 4.2.3.3.3. A re-study will be conducted to determine if there are any changes in the upgrades identified during the CSIS with the exception of the CETU

~~identified in the final CRPS report, which shall remain configured consistent with the megawatt quantity(ies) considered in the final CRPS report.~~

4.2.4. Cluster Interconnection Facilities Study.

The following provisions shall only apply to Interconnection Customers that executed a CFAC prior to the effective date of this LGIP.

Notwithstanding any other provision in this LGIP, an Interconnection Customer with an Interconnection Request included in a completed CSIS will not be eligible to waive the, or request a separate, CFAC. All Interconnection Customers with an Interconnection Request included in a completed CSIS shall be studied together in the CFAC for the purpose of implementing the conclusions of the CSIS with respect to non-sole use facilities.

4.2.4.1 Cluster Interconnection Facilities Study Entry Requirements. An Interconnection Customer with an Interconnection Request that was included in a completed CSIS shall execute an Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator, together with the required technical data and refundable deposit for the Interconnection Facilities Study as specified in Section 8.1 of this LGIP.

4.2.4.2. Scope of Interconnection Facilities Study. The CFAC will be conducted in accordance with Sections 8.2 and 8.3 of this LGIP based on a +/- 20 percent good faith cost estimate.

4.2.4.3 Re-study of the Interconnection Facilities Study. In addition to the circumstances specified in Section 8.5 of this LGIP, a re-study of the CFAC is required due to the withdrawal of an Interconnection Request that had been included in the CFAC. ~~Upon withdrawal of an Interconnection Request included in the CFAC, the System Operator will backfill the CSIS with eligible Interconnection Requests pursuant to Section 4.2.3.3.3.~~ A re-study of the CSIS and CFAC will be conducted to determine if there are any changes in the upgrades identified during the CSIS and CFAC with the exception of the CETU identified in the final CRPS report, which shall remain configured consistent with the megawatt quantity(ies) considered in the final CRPS report.

4.2.4.4 Additional CETU Participation Deposit~~Cluster Participation Deposit~~. Within thirty (30) Calendar Days after receipt of the final CFAC report in accordance with Section 8.3 of this LGIP, an

Interconnection Customer with an Interconnection Request included in the CFAC shall submit to the System Operator an additional ~~Cluster Participation Deposit~~CETU Participation Deposit equal to five (5) percent of the Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CFAC report. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The additional ~~Cluster Participation Deposit~~CETU Participation Deposit provided under this Section 4.2.4 will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this LGIP) to ~~the Interconnection Customer~~Interconnection Customer that submitted the additional ~~Cluster Participation Deposit~~CETU Participation Deposit if: (i) at the time Interconnection Customer with an Interconnection Request included in the CFAC provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP or (ii) if all Interconnection Requests included in the cluster withdraw from the interconnection queue, the conditions specified in Sections 4.2.3.2.2(3)(v), (vi), or (vii) above occur.

Otherwise, the additional ~~Cluster Participation Deposit~~CETU Participation Deposit shall be non-refundable if ~~the Interconnection Customer~~Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue. The non-refundable additional ~~Cluster Participation Deposits~~CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to ~~the Interconnection Customer~~Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change. ~~The Interconnection Customer~~Interconnection Customer must notify the System Operator, in writing, of any transfers of Queue Position and must provide the System Operator with the transferee's contact information, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

4.4 Modifications.

~~The Interconnection Customer~~Interconnection Customer shall submit to System Operator and Interconnecting Transmission Owner, in writing, modifications to any information provided in the Interconnection Request, including its attachments. ~~The Interconnection Customer~~Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, ~~or~~ 4.4.4, or 7.5 of this LGIP, or are determined not to be Material Modifications pursuant to Section 4.4.2 of this LGIP. The System Operator will notify the Interconnecting Transmission Owner, and, when System Operator deems it appropriate in accordance with applicable codes of conduct and confidentiality requirements, it will notify any Affected Party or Internal Affected Party of such modifications.

A new Interconnection Request shall be required to~~A request to~~: (1) increase the energy capability or capacity output of a Generating Facility above that specified in an Interconnection Request, an existing Interconnection Agreement (whether executed or filed in unexecuted form with the Commission), or as established pursuant to Section 5.2 of this LGIP ~~shall require a new Interconnection Request for the incremental increase and such Interconnection Request will receive the lowest Queue Position available at that time for the purposes of cost allocation and study analysis; and~~ (2) change from NR Interconnection Service to CNR Interconnection Service, at any time, ~~shall require a new Interconnection Request for CNR Interconnection Service and such Interconnection Request will receive the lowest Queue Position available at that time for the purposes of cost allocation and study analysis. Notwithstanding the foregoing, for Interconnection Requests deemed valid prior to June 1, 2020, the following timeout rules shall apply: (1) an Interconnection Customer with an Interconnection Request for CNR Interconnection Service has until the Forward Capacity Auction for which the associated Capacity Commitment Period begins less than seven (7) years (or the years agreed to pursuant to Section 3.4.1 or Section 4.4.5) from the date of the original Interconnection Request for CNR Interconnection Service to clear the entire megawatt amount for which CNR Interconnection Service was requested; and, (2) a new Interconnection Request for CNR Interconnection Service will be required for the Generating Facility to participate in any subsequent auctions. The foregoing timeout rules shall not apply to Interconnection Requests deemed valid after May 31, 2020.~~

During the course of the Interconnection Studies, ~~either~~ the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to

accommodate the Interconnection Request. To the extent the identified changes do not constitute a Material Modification and are acceptable to the Parties, such acceptance not to be unreasonably withheld, System Operator and the Interconnecting Transmission Owner shall modify the Point of Interconnection ~~prior to the completion of a Cluster Study and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable~~ and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the ~~return commencement~~ of the ~~Interconnection System Impact Study Cluster Study Agreement or Transitional Cluster Study Agreement~~, modifications permitted under this Section shall include specifically: (a) a decrease of up to ~~sixty 60~~ percent ~~(60%)~~ 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~~ 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.~~

4.4.2 Prior to making any modification other than those specifically permitted by Sections 4.4.1, ~~and 4.4.4, or 7.5 of this LGIP~~, Interconnection Customer may first request that the System Operator and Interconnecting Transmission Owner evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, the System Operator in consultation with the Interconnecting Transmission Owner, and in consultation with any Affected Party ~~or Internal Affected Party~~ as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall evaluate, at ~~the Interconnection Customer~~ Interconnection Customer's cost, the proposed modifications prior to making them and the System Operator will inform ~~the Interconnection Customer~~ Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections ~~3.1.2 or 4.4.1, 6.1, 7.2 of this LGIP~~ or so allowed elsewhere, shall constitute a

Material Modification. ~~The Interconnection Customer~~Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.3 Interconnection Customer may request, and System Operator shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. System Operator must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to System Operator. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.43 Upon receipt of Interconnection Customer's request for modification that does not constitute a Material Modification and therefore is permitted under this Section 4.4 of this LGIP, the System Operator in consultation with the Interconnecting Transmission Owner and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the System Operator, Interconnecting Transmission Owner, or Affected Party or Internal Affected Party commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost. Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to the Appendix 1 of this LGIP.

4.4.54 Extensions of less than three (3) cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing, provided that the extension(s) do not exceed seven (7) years from the date the Interconnection Request was received by the System Operator. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA or requesting that the LGIA be filed unexecuted. After an LGIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the LGIA shall be used to calculate the permissible extension. Each cumulative extensions may not exceed three years

including both extensions requested after execution of the LGIA by Interconnection Customer or the filing of an unexecuted LGIA by System Operator and those requested prior to execution of the LGIA by Interconnection Customer or the filing of an unexecuted LGIA by System Operator.

4.4.65 Extensions of three (3) or more cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Large Generating Facility to which the Interconnection Request relates or any extension of a duration that results in the Initial Synchronization Date exceeding the date the Interconnection Request was received by the System Operator by seven (7) or more years is a Material Modification unless ~~the Interconnection Customer~~Interconnection Customer demonstrates to the System Operator due diligence, including At-Risk Expenditures, in pursuit of permitting, licensing and construction of the Large Generating Facility to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in the Interconnection Request. Such demonstration shall be based on evidence to be provided by ~~the Interconnection Customer~~Interconnection Customer of accomplishments in permitting, licensing, and construction in an effort to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in this Interconnection Request. Such evidence may include filed documents, records of public hearings, governmental agency findings, documentation of actual construction progress or documentation acceptable to the System Operator showing At-Risk Expenditure made previously, including the previous four (4) months. If the evidence demonstrates that ~~the Interconnection Customer~~Interconnection Customer did not undertake reasonable efforts to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date specified in the Interconnection Request, or demonstrates that reasonable efforts were not undertaken until four (4) months prior to the request for extension, the request for extension shall constitute a Material Modification. ~~The Interconnection Customer~~Interconnection Customer may then withdraw the proposed Material Modification or proceed with a new Interconnection Request for such modification.

SECTION 5. PROCEDURES FOR TRANSITION.

5.1 ~~Queue Position for Pending Requests~~ Procedures for Transitioning to the Cluster Study Process.

5.1.1

Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) shall retain that Queue Position subject to the requirements in Sections 5.1.1.1 and 5.1.1.2 of this LGIP. Any Interconnection Customer that fails to meet the entry requirements shall have its Interconnection Request deemed withdrawn by System Operator pursuant to Section 3.7 of this LGIP without further opportunity to cure. In such case, System Operator shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this section shall be tendered an LGIA pursuant to Section 11 of this LGIP, and shall not be required to enter this transition process.

System Operator shall not accept Interconnection Requests submitted after the thirty (30) Calendar Day period described in this section until the first Cluster Request Window opens.

~~Any Interconnection Customer assigned a Queue Position prior to March 19, 2020, shall retain that Queue Position subject to Section 4.4 of the LGIP.~~

5.1.1.1 Transitional Serial Study.~~If an Interconnection Study Agreement has not been executed prior to March 19, 2020, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with the version of this LGIP in effect on March 19, 2020 (or as revised thereafter).~~ An Interconnection Customer that has been tendered an Interconnection Facilities Study Agreement (other than a CFAC Agreement) as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) may opt to proceed with an Interconnection Facilities Study or proceed directly to LGIA negotiations. System Operator shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of Appendix 68 to this LGIP, no later than the Commission-approved effective date of this LGIP. System Operator shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Serial Interconnection Facilities Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without further opportunity to cure and without penalty. System Operator must commence the Transitional Serial Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this LGIP.

All of the following must be included when an Interconnection Customer returns the Transitional Serial Interconnection Facilities Study Agreement:

(1) A deposit equal to one hundred percent (100%) of the costs identified for Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trued up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled. The deposit shall be in the form of an irrevocable letter of credit or cash where cash deposits shall be treated according to Section 3.7 of this LGIP.

(2) Exclusive Site Control for 100% of the proposed Generating Facility.

(3) A study deposit in the amount of the greater of \$250,000 (for new NR Interconnection Service or CNR Interconnection Service requests), \$100,000 (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 or changes from existing NR Interconnection Service to CNR Interconnection Service) or estimated study costs

Interconnecting Transmission Owner or System Operator shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of the Commission-approved effective date of this LGIP.

After System Operator issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its

Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.1.2 Transitional Cluster Study

If an Interconnection Study Agreement has been executed prior to March 19, 2020 and is actively under study, such Interconnection Study shall be completed in accordance with the terms of such agreement. If an Interconnection Study Agreement has been executed prior to March 19, 2020, but the Interconnection Study has not commenced, such Interconnection Study shall be completed, and any subsequent Interconnection Studies shall be processed, in accordance with the version of the LGIP in effect on March 19, 2020. Interconnection Studies for Interconnection Requests seeking to interconnect into the Northern and Western Maine parts of the New England Control Area that do not have a completed Interconnection System Impact Study by November 1, 2017 shall be included in the Maine Resource Integration Study, which shall be the first CRPS. The Interconnection Customers identified in the Maine Resource Integration Study as eligible to participate in the associated Cluster System Impact Study shall make one of the elections and complete the associated requirements specified in Section 4.2.3.2 of this LGIP within thirty (30) Calendar Days from the later of November 1, 2017 or the issuance of the final Maine Resource Integration Study report. If the Interconnection Customer does not make one of the elections and complete the associated requirements by the thirtieth Calendar Day, the System Operator shall automatically withdraw the Interconnection Request from the interconnection queue without further opportunity to cure. An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) may opt to proceed with a Transitional Cluster Study. System Operator shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 57 to this LGIP, no later than the Commission-approved effective date of this LGIP. System Operator shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1) – (5) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty and with no further opportunity to cure. System Operator must

commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrade costs shall be allocated according to Schedule 11 to the OATT. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this LGIP. Interconnection Customers for which the System Operator projects to complete the system impact studies between May 14, 2024 and ~~June~~ August 30, 2024, shall be tendered a Transitional Cluster Study Agreement, in the form of Appendix 57 to this LGIP, no later than the Commission-approved effective date of this LGIP. However, if Interconnection Customer accepts the results of its system impact study on or before August 30, 2024, the System Operator shall not include the Interconnection Request in the Transitional Cluster Study and instead tender a Large Generator Interconnection Agreement pursuant to Section 11 of this LGIP, and refund any deposits associated with participation in the Transitional Cluster Study.

Notwithstanding any other provision, an Interconnection Customer with a valid Queue Position prior to June 13, 2024 that includes a Commercial Operation Date earlier than April 28, 2028, may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than April 28, 2028.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

- (1) A selection of either Network Resource Interconnection Service or Capacity Network Resource Interconnection Service. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify ~~the Interconnection Customer~~ Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

(2) A deposit of five million dollars (\$5,000,000) for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and one million (\$1,000,000) 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 in the form of an irrevocable letter of credit or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled.

(3) Exclusive Site Control for 100% of the proposed Generating Facility.

(4) A study deposit in the amount of \$250,000 for Interconnection Requests seeking NR Interconnection or CNR Interconnection Service, and one hundred thousand (\$100,000) 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. Any unused balance of the study deposit associated with the Interconnection Request shall be applied toward the study deposit associated with the Transitional Cluster Study Agreement.

(5) All technical data required under Appendix 1, Attachment A and Attachment A-1 (if applicable) of this LGIP to the extent Interconnection Customer has not already provided such data.

System Operator shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The Study Case for the Transitional Cluster Study shall include any CETU and associated system upgrades identified in a final CRPS Report prior to the opening of the Transitional Cluster Study, provided that

System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from the Transitional Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Transitional Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the deadline to submit the Transitional Cluster Study Agreement that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

The interim Transitional Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of Contingent Facilities
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Administered Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of the Commission-approved effective date of this LGIP, respectively, and shall be posted on System Operator's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this LGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After System Operator issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.1.3 Transitional CNR Group Study

In accordance with Section III.13.1.1.2.3A, System Operator shall conduct a Transitional CNR Group Study following the effective date of this LGIP. An Interconnection Customer with an assigned Queue Position as of May 14, 2024 may participate in the Transitional CNR Group Study, and consistent with Section II.48 of the Tariff, achieve CNR Interconnection Service. Any Interconnection Customer seeking to establish CNR Interconnection Service through this study must (1) have a valid Interconnection Request seeking CNR Interconnection Service, (2) submit a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process, (3) have not secured a Capacity Supply Obligation prior to September 4~~1~~, 2024, (4) have a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before July 1, 2024, and (5) have a Commercial Operation Date prior to June 1, 2028.

System Operator shall conduct the study by performing an overlapping impacts analysis in the manner used for CNR Group Studies conducted prior to the effective date of this LGIP and as described in ISO Section III.13.1.1.2.3A and the ISO New England Planning Procedures. The Transitional CNR Group

Study shall assure that Interconnection Customer's Large Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures.

Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in the Transitional CNR Group Study in order of submission/approval (the dates of submission shall be used for Interconnection Requests submitted to the System Operator and the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates). Interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates that have not yet received the System Operator's approval for their Proposed Plan Applications under Section I.3.9 of the Tariff at the commencement of the Transitional CNR Group Study shall be included in the Transitional CNR Group Study after all Interconnection Requests submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and all interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff have been included in the Transitional CNR Group Study in order of submission to the Interconnecting Transmission Owners or their distribution company affiliates.

Where an Interconnection Customer with a CNR or CNI Interconnection Service Interconnection Request submits a Show of Interest Form to participate in the Transitional CNR Group Study, and identifies in that Show of Interest Form that one or more Elective Transmission Upgrade Interconnection Request(s) for an Internal ETU (with a completed Interconnection System Impact Study), that is not already included in the network model pursuant to Section III.12 of the Tariff supports its deliverability, the CNR or CNI Interconnection Request will be included in the Transitional CNR Group Study at the lowest of the CNR or CNI Interconnection Request's or its associated Elective Transmission Upgrade Interconnection Request(s) for the Internal ETU's Queue Position. Where multiple Interconnection Customers' CNR or CNI Interconnection Service Interconnection Requests are associated with the same lower Queue Position

for an Elective Transmission Upgrade Interconnection Request for an Internal ETU in the CNR Group Study, the CNR Interconnection Request's Queue Position will be used as the tie breaker to dictate the relative order in which the CNR Interconnection Service Interconnection Request will be included in the CNR Group Study.

Any Interconnection Customer seeking to participate in the Transitional CNR Group Study that receives a qualification determination notification under Section III.13.1.1.2.8 of the Tariff, must provide, a Commercial Readiness Deposit of one million dollars (\$1,000,000) in the form of an irrevocable letter of credit, cash, or a combination thereof prior to the opening of the window to elect critical path schedule monitoring. Such deposit shall be refunded to Interconnection Customer: upon the Generating Facility achieving Commercial Operation. If Interconnection Customer does not achieves Commercial Operation, System Operator shall refund the deposit to Interconnection Customer in accordance with Section 3.7 of this LGIP.

~~**5.1.2—Transition Period.** To the extent necessary, the System Operator, Interconnection Customers with an outstanding Interconnection Request (i.e., an Interconnection Request for which an LGIA has neither been executed nor submitted to the Commission for approval prior to March 19, 2020), Interconnecting Transmission Owner and any other Affected Parties, shall transition to proceeding under the version of the LGIP in effect as of March 19, 2020 (or as revised thereafter) within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term “outstanding Interconnection Request” herein shall mean any Interconnection Request, on March 19, 2020: (i) that has been submitted, together with the required deposit and attachments, but not yet accepted by the System Operator; (ii) where the related LGIA has not yet been submitted to the Commission for approval in executed or unexecuted form, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding Interconnection Request as of the effective date of this LGIP may request a reasonable extension of the next applicable deadline if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension, not to exceed sixty (60) Calendar Days, shall be granted by the System Operator to the extent consistent with the intent and process provided for under this LGIP.~~

~~**5.1.3—One-Time Election for CNR Interconnection Service at Queue Position Assigned Prior to February 1, 2009.**~~

~~An Interconnection Customer with an outstanding Interconnection Request will be eligible to make a one-time election to be considered for CNR Interconnection Service at the Queue Position assigned prior to February 1, 2009. The Interconnection Customer's one-time election must be made by the end of the New Generating Capacity Show of Interest Submission Window for the fourth Forward Capacity Auction. The Interconnection Customer's one-time election may also include a request for Long Lead Facility Treatment, which shall be subject to review pursuant to Section 3.2.3, and, if applicable, a request for a change of the Commercial Operation Date, in accordance with Sections 4.4.4 and 4.4.5.~~

~~Interconnection Customers requesting CNR Interconnection Service will be required to comply with the requirements for CNR Interconnection Service set forth in Section 3.2.1. Interconnection Customers requesting CNR Interconnection Service that have not received a completed Interconnection System Impact Study may request a preliminary, non-binding, analysis of potential upgrades that may be necessary for the fourth Forward Capacity Auction—the prompt or near-term auction—pursuant to Sections 6.3 or 7.3, whichever is applicable.~~

~~5.1.4 Interconnection Requests for Distribution Facilities Submitted Prior to August 28, 2022~~

~~Interconnection Customers: (i) with Interconnection Requests for distribution facilities that were subject to the Tariff prior to August 28, 2022; (ii) that submitted the Interconnection Request to the System Operator prior to August 28, 2022; and (iii) that have not completed the applicable interconnection process under a state tariff, rules or procedures shall complete the System Operator's interconnection process in Schedule 22 of Section II of the Tariff. Interconnection Customers: (i) with Interconnection Requests for distribution facilities that were subject to the Tariff prior to August 28, 2022; (ii) that had already completed the applicable interconnection process under a state tariff, rules or procedures; and (iii) that subsequently submitted an Interconnection Request to the System Operator prior to August 28, 2022 may either complete the System Operator's interconnection process in Schedule 22 of Section II of the Tariff or withdraw the Interconnection Request submitted to the System Operator.~~

5.2 Grandfathering.

5.2.1 An Interconnection Customer's Generating Facility that is interconnected pursuant to an Interconnection Agreement executed or submitted to the Commission for approval prior to February 1, 2009, will maintain its status as a Network Resource with Network Resource Interconnection Service eligible to participate in the New England Markets, in accordance with the requirements of Market Rule 1, Section III of the Tariff, up to the megawatt amount specified in the Interconnection Agreement,

subject to ~~the Interconnection Customer~~Interconnection Customer satisfying all requirements set forth in the Interconnection Agreement and this LGIP. If the Generating Facility does not meet the criteria set forth in Section 5.2.3 of this LGIP, ~~the Interconnection Customer~~Interconnection Customer will be eligible to make a one-time election, pursuant to Section 5.1.3, for Capacity Network Resource treatment without submitting a new Interconnection Request; however, ~~the Interconnection Customer~~Interconnection Customer will be required to comply with the requirements for CNR Interconnection Service set forth in Section 3.2.1. Upon completion of the requirements to obtain CNR Interconnection Service, ~~the Interconnection Customer~~Interconnection Customer's Interconnection Agreement shall be amended to conform to the LGIA in Appendix ~~11~~6 of this LGIP.

5.2.2 An Interconnection Customer's Generating Facility governed by an Interconnection Agreement either executed or filed with the Commission in unexecuted form prior to August 1, 2008, shall maintain the Queue Position assigned as of August 1, 2008, and be eligible to participate in the New England Markets, in accordance with the requirements in Market Rule 1, Section III of the Tariff, as in effect as of August 1, 2008, so long as ~~the Interconnection Customer~~Interconnection Customer complies with all of the requirements specified in the Interconnection Agreement, including achieving the milestones associated with At-Risk Expenditures, subject to Section 4.4 of this LGIP.

5.2.3 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a CNR and obtain CNR Interconnection Service, in accordance with this LGIP, up to the CNR Capability of the resource. The grandfathered CNR Capability for these resources shall be equal to the megawatt amount established pursuant to the following hierarchy:

- (a) First, the megawatt amount specified in an Interconnection Agreement (whether executed or filed in unexecuted form with the Commission).
- (b) Second, in the absence of an Interconnection Agreement with a specified megawatt amount, the megawatt amount specified in an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision).

(c) Third, in the absence of an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) with a specified megawatt amount, as determined by the System Operator based on documented historic capability of the Generating Facility.

Where a resource has both an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision), the lower megawatt amount will govern until the resource completes the applicable process(es) under the Tariff for obtaining the higher megawatt amount. The absence of an Interconnection Agreement or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) specifying a megawatt amount shall be confirmed by an affidavit executed by a corporate officer of the resource attesting that the resource does not have an Interconnection Agreement and/or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) that specifies a megawatt amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) specifies a megawatt amount at an ambient temperature consistent with the definition of CNR Capability, the grandfathered CNR Capability shall be equal to that amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of CNR Capability.

Where the implementation of this Section 5.2.3 results in a CNR Capability that is different than previously had been identified, the revised CNR Capability will be applied commencing with the next Forward Capacity Auction qualification process (after the revised CNR Capability value is identified), which is initiated by the closing deadline of the Show of Interest Submission Window in accordance with Section III.13 of the Tariff. The revised CNR Capability will continue to govern until the resource completes the applicable process(es) for obtaining the higher megawatt amount.

5.2.4 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a NR and obtain NR Interconnection Service, in accordance with this LGIP, up to the NR Capability of the resource. The grandfathered NR Capability shall be determined pursuant to the hierarchy set forth in Section 5.2.3.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) of a resource for which a temperature-adjustment curve is used for the claimed capability verification, as set forth in the ISO New England Manuals, specifies a megawatt amount at an ambient temperature, the grandfathered NR Capability shall be equal to a temperature-adjusted value consistent with the definition of NR Capability.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of NR Capability.

5.3 New System Operator or Interconnecting Transmission Owner.

If the System Operator transfers operational control of the New England Transmission System to a successor System Operator during the period when an Interconnection Request is pending, the System Operator shall transfer to the successor System Operator any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to ~~the Interconnection Customer~~Interconnection Customer, as appropriate. The System Operator shall coordinate with the successor System Operator to complete any Interconnection Study, as appropriate, that the System Operator has begun but has not completed.

If the Interconnecting Transmission Owner transfers ownership of its transmission facilities to a successor transmission owner during the period when an Interconnection Request is pending, and System Operator in conjunction with Interconnecting Transmission Owner has tendered a draft LGIA to ~~the Interconnection Customer~~Interconnection Customer but ~~the Interconnection Customer~~Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with the Commission, unless otherwise provided, ~~the Interconnection Customer~~Interconnection Customer must complete negotiations with the successor transmission owner.

SECTION 6. INTERCONNECTION ~~INFORMATION ACCESS~~FEASIBILITY STUDY.

6.1 ~~Interconnection Feasibility Study Agreement~~Publicly Posted Interconnection Information.
System Operator shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection on

the Administered Transmission System under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the Administered Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Administered Transmission System with the transfer simulated from each point of interconnection to the whole Administered Transmission System footprint (to approximate Capacity Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

~~Except as otherwise provided in Section 4.2.3.4 of this LGIP, within five (5) Business Days following the System Operator's and Interconnecting Transmission Owner's receipt from the Interconnection Customer of its election to pursue the Interconnection Feasibility Study, the designation of the Point(s) of Interconnection, and the scope of Interconnection Feasibility Study to be performed pursuant to Section 3.4.4, System Operator shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study, including the cost of developing the study agreement and its attachment(s). No later than thirty (30) Calendar Days after its receipt of the Interconnection Feasibility Study Agreement, (a) the Interconnection Customer shall execute and deliver the agreement to System Operator and the Interconnecting Transmission Owner, (b) the Interconnection Customer shall also deliver the refundable deposit for the Interconnection Feasibility Study to the System Operator, and (c) the technical data called for in Appendix 1, Attachment A (and~~

~~Attachment A 1, if applicable) or Attachment B, depending on the scope selected pursuant to Section 3.4.4. The deposit for the study shall be 100 percent of the estimated cost of the study. The deposit shall be applied toward the cost of the Interconnection Feasibility Study, including the cost of developing the study agreement and its attachment(s). For Interconnection Requests that were ~~are~~ identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff prior to the effective date of this LGIP, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. Any difference between the study deposit and the actual cost of the Interconnection Feasibility Study or the actual costs incurred by the Interconnecting Transmission Owner in developing the costs estimates in support of the CRPS shall be paid by or refunded to ~~the Interconnection Customer~~ Interconnection Customer, except as otherwise provided in Section 13.3.~~

~~In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to the Interconnection Customer an invoice for the costs of the Interconnection Feasibility Study that have been incurred by the System Operator and/or the Interconnecting Transmission Owner on the Interconnection Feasibility Study, including the development of the study agreement and its attachment(s). Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Interconnection Feasibility Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Feasibility Study.~~

~~The Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold any amounts on deposit until settlement of the final invoice with the Interconnection Customer and the Interconnecting Transmission Owner.~~

~~On or before the return of the executed Interconnection Feasibility Study Agreement to the System Operator and Interconnecting Transmission Owner, the Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A (and Attachment A 1, if applicable) or Attachment B, depending on the scope elected pursuant to Section 3.4.1. If the Interconnection Customer does not provide all such technical data when it delivers the Interconnection Feasibility Study Agreement, the System Operator shall notify the Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection Feasibility Study Agreement and the Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided,~~

however, such deficiency does not include failure to deliver the executed Interconnection Feasibility Study Agreement or deposit.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and acceptable to the Parties, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if the Parties cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

6.2 — Scope of Interconnection Feasibility Study.

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Administered Transmission System with available data and information.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities and Elective Transmission Upgrades (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the New England Transmission System and may have an impact on the Interconnection Request; and (iv) have no Queue Position but have executed an Interconnection Agreement or requested that an unexecuted Interconnection Agreement be filed with the Commission (the “Study Case” for the Interconnection Feasibility Study). If the Reasonable Efforts timeframe for the completion of the Interconnection Feasibility Study does not overlap with the timeframe for the overlapping interconnection impacts analysis conducted for qualification in the Forward Capacity Auction pursuant to Section III.13.1.1.2.3 of the Tariff, then an Interconnection Customer with a CNR Interconnection Request may also request that the Interconnection Feasibility Study include a preliminary, non-binding, analysis to identify potential upgrades that may be necessary for the Interconnection Customer’s Generating Facility to qualify for participation in a Forward Capacity Auction under Section III.13 of the Tariff, based on a

~~limited set of assumptions to be specified by the Interconnection Customer and reflected in Attachment A to the Interconnection Feasibility Study Agreement.~~

~~The Interconnection Feasibility Study will consist of a limited power flow, including thermal analysis and voltage analysis, and short circuit analysis. The Interconnection Feasibility Study report will provide (i) the study findings; and (ii) a preliminary description of a non-binding good faith order of magnitude estimated cost of (unless the Interconnection Customer waives such cost estimate) and the time to construct the Interconnection Facilities and Network Upgrades necessary to interconnect the Large Generating Facility as identified within the scope of the analysis performed as part of the study.~~

~~Alternatively, the Interconnection Customer may provide the technical data called for in Appendix 1, Attachment A (and Attachment A-1, if applicable) with the executed Interconnection Feasibility Study Agreement and request that the Interconnection Feasibility Study consist of limited thermal analysis, voltage analysis, short circuit analysis, stability analysis, or electromagnetic transient analysis, as appropriate, focusing on the issues that are expected to be the most significant for the proposed Large Generating Facility's interconnection given recent study experience and as discussed at the Scoping Meeting. In this case, the Interconnection Feasibility Study report will provide (i) the study findings; and, (ii) a preliminary description of and a non-binding good faith order of magnitude estimated cost of (unless the Interconnection Customer waives such cost) and the time to construct the Interconnection Facilities and Network Upgrades necessary to interconnect the Large Generating Facility as identified within the scope of the analysis performed as part of the study.~~

~~To the extent the Interconnection Customer requested a preliminary analysis as described in this Section 6.2, the Interconnection Feasibility Study report will also provide a list of potential upgrades that may be necessary for the Interconnection Customer's Generating Facility to qualify for participation in a Forward Capacity Auction under Section III.13 of the Tariff.~~

6.3 — Interconnection Feasibility Study Procedures.

~~The System Operator in coordination with Interconnecting Transmission Owner shall utilize existing studies to the extent practicable when it performs the study. The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than ninety (90) Calendar Days after System Operator and Interconnecting Transmission Owner receive the fully executed Interconnection Feasibility Study Agreement, study deposit and required~~

~~technical data in accordance with Section 6.1. At the request of the Interconnection Customer or at any time the System Operator or the Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, the System Operator shall notify the Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If the System Operator is unable to complete the Interconnection Feasibility Study within that time period, the System Operator shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator with input from the Interconnecting Transmission Owner shall provide all supporting documentation, workpapers and relevant Study Case power flow and short circuit databases that have been developed for the Interconnection Feasibility Study to any third party consultant retained by the Interconnection Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to the Interconnection Customer.~~

~~System Operator shall study the Interconnection Request at the level of Interconnection Service requested by the Interconnection Customer for purposes of determining necessary Interconnection Facilities and Network Upgrades, and at the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety or reliability of the system.~~

~~6.3.1 Meeting with Parties.~~

~~Within ten (10) Business Days of providing an Interconnection Feasibility Study report to the Interconnection Customer, the System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Interconnection Feasibility Study.~~

~~6.4 Re-Study.~~

~~If re-study of the Interconnection Feasibility Study is required due to (i) a higher queued project dropping out of the queue, (ii) a modification of a higher queued project subject to Section 4.4, (iii) a re-designation~~

~~of the Point of Interconnection pursuant to Section 6.1, (iv) a re-assessment of the upgrade responsibilities of an Elective Transmission Upgrade associated with an Import Capacity Resource(s) or a Generating Facility after the Import Capacity Resource(s) or the Generating Facility receives a Capacity Supply Obligation in accordance with Section III.13 of the Tariff, or (v) a modification to a transmission project included in the Base Case, the System Operator shall notify the Interconnection Customer and Interconnecting Transmission Owner in writing. Each re-study shall be conducted serially based on the Queue Position of each Interconnection Customer, and each re-study shall take not longer than sixty (60) Calendar Days from the date the re-study commences. Any cost of re-study shall be borne by the Interconnection Customer being re-studied. If the original Interconnection Feasibility Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Feasibility Study Agreement.~~

~~The Interconnection Customer shall have the option to waive the re-study and elect to have the re-study performed as part of its Interconnection System Impact Study. The Interconnection Customer shall provide written notice of the waiver and election of moving directly to the Interconnection System Impact Study within five (5) Business Days of receiving notice from the System Operator of the required re-study.~~

SECTION 7. CLUSTER INTERCONNECTION SYSTEM IMPACT STUDY.

7.1 Interconnection System Impact Cluster Study Agreement.

~~No later than Within five (5) Business Days after the close of a Cluster Request Window, following the Interconnection Feasibility Study results meeting, or subsequent to the Scoping Meeting within five (5) Business Days if the Interconnection Customer did not pursue the Interconnection Feasibility Study, the System Operator and Interconnecting Transmission Owner shall tender provide to each Interconnection Customer that submitted a valid Interconnection Request a Cluster the Interconnection System Impact Study Agreement in the form of Appendix 2 of this LGIP, which includes a non-binding good faith estimate of the cost and timeframe for commencing and completing the Interconnection System Impact Study. The Interconnection System Impact Cluster Study Agreement shall require tprovide that the Interconnection Customer toshall compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Cluster Interconnection System Impact Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the LGIA, pursuant to Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the~~

Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by System Operator and Interconnecting Transmission Owner following the conclusion of the Scoping Meeting.

7.2 Execution of the Cluster Interconnection System Impact Study Agreement.

~~The Interconnection Customer shall execute the Cluster Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Cluster Study Agreement to the System Operator no later than thirty (30) Calendar Days after its receipt the close of the Customer Engagement Window along with a demonstration of Site Control and the technical data called for in Appendix 1, Attachment A (and Attachment A-1, if applicable), and the Interconnection Customer shall also deliver a refundable deposit. An Interconnection Customer does not need to demonstrate Site Control where the Interconnection Request is for a modification to the Interconnection Customer's existing Large Generating Facility and the Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property. The deposit for the study shall be: (i) the greater of 100 percent of the estimated cost of the study or \$250,000; or (ii) the lower of 100 percent of the estimated costs of the study or \$50,000, if the Interconnection Customer can provide: (1) evidence of applications for all Major Permits, as defined in Section III.13.1.1.2.2.2(a) of the Tariff, required in support of the Interconnection Request or written certification that Major Permits are not required; or (2) evidence acceptable to the System Operator of At Risk Expenditures (excluding Interconnection Study costs) totaling at least the amounts of money described in (i) above; or (iii) the lower of 100 percent of the estimated costs of the study or \$50,000, if the Interconnection Request is for a modification to an existing Large Generating Facility that does not increase the energy capability or capacity capability of the Large Generating Facility.~~

~~The deposit shall be applied toward the cost of the Interconnection System Impact Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the LGIA. For Interconnection Requests that are identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. Any difference between the study deposit and the actual cost of the Interconnection System Impact Study or the actual costs incurred by the Interconnecting Transmission Owner in developing the costs estimates in support of the CRPS shall be paid by or refunded to the Interconnection Customer, except as otherwise provided in Section 13.3.~~

In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to ~~the~~ Interconnection Customer an invoice for the estimated costs of ~~Interconnection System Impact Cluster~~ Study that ~~have been are expected to be~~ incurred by the System Operator and/or the Interconnecting Transmission Owner for the System Impact Cluster Study, including the study agreement and its attachment(s) and the LGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Cluster Interconnection System Impact Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Cluster Interconnection System Impact Study. Costs of Cluster Studies shall be allocated to all Interconnection Customers on a 50% per capita, and 50% per MW basis. In the case of Clustering, CSIS costs that are associated with an individual Interconnection Request assessed within the CSIS will be charged directly to that Interconnection Customer. CSIS costs that are associated with the CSIS as a whole will be divided equally, on a per project basis, among the Interconnection Customers in the cluster. If the Interconnection Customer elects the deposit described in (ii) above, the System Operator and the Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection System Impact Study on each month. ~~The Interconnection Customer~~ Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with ~~the Interconnection Customer~~ Interconnection Customer and the Interconnecting Transmission Owner.

~~On or before the return of the executed Interconnection System Impact Study Agreement to the System Operator and Interconnecting Transmission Owner, the Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A (and Attachment A-1, if applicable); provided that if a PSCAD model for a non-wind or non-inverter based Large Generating Facility was determined to be needed at the Scoping Meeting, then the Interconnection Customer shall have ninety (90) Calendar Days from the execution of the System Impact Study Agreement to provide the PSCAD model.~~

If at any time during the Cluster Study, including during the Customer Engagement Window, System Operator determines that Interconnection Customer is required to provide additional the Interconnection Customer does not provide all such technical data, or that the data provided is incomplete or contains errors, System Operator shall notify Interconnection Customer and when it delivers the Interconnection

~~System Impact Study Agreement, the System Operator shall notify the Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and the Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Cluster Study Agreement or required deposits deposit. Failure to provide all required information within this period will result in automatic withdrawal of the Interconnection Request from the queue without the cure period provided under Section 3.7 of this LGIP.~~

~~If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting or the Interconnection Feasibility Study, a substitute Point of Interconnection identified by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and acceptable to each Party, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and re-studies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if the Parties cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement if Interconnection Customer pursued the Interconnection Feasibility Study, as specified pursuant to Section 3.4.4, shall be the substitute.~~

7.3 Scope of Cluster Interconnection System Impact Study.

The Interconnection System Impact Cluster Study shall evaluate the impact of the proposed interconnection on the reliability and operation of the New England Transmission System. The Cluster Interconnection System Impact Study will consider the Base Case as well as all generating facilities and Elective Transmission Upgrades (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Cluster Study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Affected System or Internal Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the New England Transmission System and may have an impact on the Interconnection Request; and (iv) have no Queue Position but have executed an Interconnection Agreement or requested that an unexecuted Interconnection Agreement be filed with the Commission (the “Study Case” for the Interconnection

System Impact Cluster Study). The Study Case shall also include any CETU and associated system upgrades identified in a final CRPS report prior to the opening of the Cluster Request Window, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from a Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the Customer Engagement Window that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU. ~~An Interconnection Customer with a CNR Interconnection Request may also request that the Interconnection System Impact Study include a preliminary, non-binding, analysis to identify potential upgrades that may be necessary for the Interconnection Customer's Generating Facility to qualify for participation in a Forward Capacity Auction under Section III.13 of the Tariff, based on a limited set of assumptions to be specified by the Interconnection Customer and reflected in Attachment A to the Interconnection System Impact Study Agreement.~~

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall consider the level of Interconnection Service requested by Interconnection Customers in the Cluster. However, the Cluster Study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system.

The ~~Interconnection System Impact Cluster~~ Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, such as electromagnetic transient analysis, including thermal analysis and voltage analysis, a system protection analysis and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner, the results of which are documented in a single Cluster Study Report, as applicable. Interconnecting Transmission Owner(s) and Internal Affected Systems (if applicable) shall provide to System Operator, within thirty (30) Calendar Days of a request, and for purposes of inclusion in the Cluster Study Report, non-binding good faith

estimates of cost responsibility for required upgrades, and a non-binding good faith estimated times to construct such upgrades.

At the conclusion of the Cluster Study, System Operator and Interconnecting Transmission Owner shall issue a Cluster Study Report. The ~~Interconnection System Impact Cluster~~ Study Report will state the assumptions upon which it is based, state the results of the analyses, and provide the requirements or potential impediments to providing the requested ~~i~~Interconnection ~~S~~service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. ~~For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Interconnection System Impact Study shall consider the level of Interconnection Service requested by the Interconnection Customer. However, the Interconnection System Impact Study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system.~~ The ~~Interconnection System Impact Cluster~~ Study report will provide (i) a list of ~~Interconnection Facilities and Network Upgrades facilities~~ that are required to reliably interconnect the Generating Facilities in that Cluster Study as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility; (ii) a non-binding good faith estimated time to construct; (iii) a protection assessment to determine the required protection upgrades; and may provide (iv) an evaluation of the siting of the Interconnection Facilities and Network Upgrades; and (v) identification of the likely permitting and siting process including easements and environmental~~a~~ work. The Cluster Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method -in Schedule 11, Section II of the Tariff. System Operator shall hold an open stakeholder meeting pursuant to Section 7.4 of this LGIP. To the extent the Interconnection Customer requested a preliminary analysis as described in this Section 7.3, the Interconnection System Impact Study report will also provide a list of potential upgrades that may be necessary for the Interconnection Customer's Generating Facility to qualify for participation in a Forward Capacity Auction under Section III.13 of the Tariff.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. System Operator shall evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. System Operator shall include an explanation of the results of the System Operator's evaluation for each technology in the Cluster Study Report.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests within the Cluster and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 ~~Interconnection System Impact Cluster~~ Study Procedures.

The System Operator shall coordinate the ~~Interconnection System Impact Cluster~~ Study with the Interconnecting Transmission Owner, and with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, that is affected by the Interconnection Request pursuant to Section 3.6 of this LGIP~~above~~. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and ~~The~~ System Operator and Interconnecting Transmission Owner shall initiate the Cluster Study process pursuant to Section 7 of this LGIP.

The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the ~~Interconnection System Impact Cluster~~ Study within two hundred and seventy (270) Calendar Days of the close of the Customer Engagement Window.

Within ten (10) Business Days of simultaneously issuing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, the System Operator shall convene a Cluster Study Report Meeting. after the receipt of the Interconnection System Impact Study Agreement, study deposit, demonstration of Site Control, if Site Control is required, and required technical data in accordance with Section 7.2. If System Operator uses Clustering, the System Operator and

~~Interconnecting Transmission Owner shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within the times specified in this Section 7.4.~~

At the request of ~~the Interconnection Customer~~Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the ~~Cluster Interconnection System Impact~~ Study, the System Operator shall notify ~~the Interconnection Customer~~Interconnection Customer as to the schedule status of the ~~Interconnection System Impact Cluster~~ Study. If the System Operator and Interconnecting Transmission Owner are unable to complete the ~~Interconnection System Impact Cluster~~ Study within the time period, the System Operator shall notify ~~the~~ Interconnection Customers and provide an estimated start date if the study has not commenced and completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customers all supporting documentation, workpapers and relevant Study Case power flow, short circuit and stability databases that have been developed for the ~~Cluster Interconnection System Impact~~ Study to any third party consultant retained by ~~the Interconnection Customer~~Interconnection Customers. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to ~~the~~ Interconnection Customers.

~~Except in the case of a CSIS, the System Operator shall notify the Interconnection Customer when the Interconnection System Impact Study is expected to commence within sixty five (65) Calendar Days. An Interconnection Customer with an Interconnection Request being studied serially will be permitted to update the technical data provided in Appendix 1 and Attachment A (and Attachment A-1, if applicable), and submit modifications to that technical data to the System Operator no later than sixty (60) Calendar Days from the date that the System Operator notified the Interconnection Customer that the Interconnection System Impact Study is expected to commence. Such modifications will not be deemed Material Modifications provided they meet the requirements of Section 4.4.1 of this LGIP.~~

~~Where sufficient time has elapsed since the initial Scoping Meeting, within ten (10) Business Days after notifying the Interconnection Customer that the Interconnection System Impact Study is expected to~~

~~commence, the System Operator may convene a second Scoping Meeting for the purpose of providing updated information to the Interconnection Customer in preparation for the submittal of updates to the technical data.~~

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

- (a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and
- (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to System Operator five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. System Operator shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon System Operator determining that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to System Operator's approval, not to be unreasonably withheld. Absent such demonstration, System Operator shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP (without the cure period provided under Section 3.7 of this LGIP).

At the same time that Interconnection Customer submits the information required under this Section 7.5(1)(a) and (b), an Interconnection Customer may also request a decrease in the size of the Large Generating Facility, provided that the Cluster Study identified that the Large Generating Facility proposed in Interconnection Customer's Interconnection Request does not share any Network Upgrades with a Generating Facility or Elective Transmission Upgrade proposed in a separate Interconnection Request. If System Operator determines that a Cluster Restudy is required under this Section 7.5 of this LGIP, within

ten (10) Business Days of that determination Interconnection Customer shall provide all required updated modeling and data associated with the requested decrease in the size of the Large Generating Facility for use in the Cluster Restudy. If the System Operator determines that a Cluster Restudy is not required, Interconnection Customer's request to decrease the size of the Large Generating Facility shall constitute a Material Modification pursuant to Section 4 of this LGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this LGIP after completion of the Cluster Study or Cluster Restudy, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this LGIP, System Operator and Interconnecting Transmission Owner shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If System Operator and Interconnecting Transmission Owner determine a Cluster Restudy is not necessary, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and System Operator shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and System Operator and Interconnecting Transmission Owner determine a Cluster Restudy is necessary as a result, System Operator shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. System Operator and Interconnecting Transmission Owner shall continue with such restudies until System Operator and Interconnecting Transmission Owner determine that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, or requested that unexecuted LGIAs be filed, and System Operator and Interconnecting Transmission Owner determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, System Operator shall so notify affected Interconnection Customers

in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. System Operator and Interconnecting Transmission Owner shall complete the Cluster Restudy within ninety (90) Calendar Days of the System Operator informing Interconnection Customers in the Cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). System Operator shall hold a meeting with ~~the Interconnection Customer~~ Interconnection Customers in the Cluster, Interconnecting Transmission Owners, and any Affected Party or Internal Affected party as deemed appropriate by the System Operator (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and System Operator and Interconnecting Transmission Owner shall follow the procedures of this Section 7.5 of this LGIP until such time that System Operator and Interconnecting Transmission Owner determine that no further restudies are required. System Operator shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Meeting with Parties.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, the System Operator shall convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, to discuss the results of the Interconnection System Impact Study.

Within ~~twenty~~ ten (10) Calendar ~~Business~~ Days following the Cluster Study Results Meeting, or Cluster Restudy Results Meeting (as appropriate) study results meeting, ~~the Interconnection Customer~~ Interconnection Customer shall provide to the System Operator written notice that it will either pursue the Interconnection Facilities Study or waive the Interconnection Facilities Study and elect an expedited interconnection.

Notwithstanding the foregoing sentence, the option to waive the Interconnection Facilities Study is not available for Interconnection Customers that share responsibility for the same Network Upgrades

identified in a Cluster Study or Cluster Restudy unless each Interconnection Customers agrees in writing to waive the Interconnection Facilities Study. In a case where Interconnection Customers share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy and do not agree to waive the Interconnection Facilities Study, such study shall be performed at a level of +/- 20 percent. Once ~~the Interconnection Customer~~Interconnection Customer notifies the System Operator of its election, such election is not subject to change. If ~~the Interconnection Customer~~Interconnection Customer elects to pursue the Facilities Study it must proceed with the study. If ~~the Interconnection Customer~~Interconnection Customer waives the Facilities Study, it shall commit to the following milestones in the LGIA: (i) Siting approval for the Generating Facility and Interconnection Facilities; (ii) Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner; (iii) Ordering of long lead time material for Interconnection Facilities and system upgrades; (iv) Initial Synchronization Date; and (v) Commercial Operation Date.

~~Within thirty (30) Calendar Days of the Interconnection Customer receiving the Interconnection System Impact Study report, the Interconnection Customer shall provide written comments on the report or written notice that it has no comments on the report. The System Operator shall issue a final Interconnection System Impact Study report within fifteen (15) Business Days of receiving the Interconnection Customer's comments or promptly upon receiving the Interconnection Customer's notice that it will not provide comments.~~

7.6 — Re-Study.

If re-study of the Interconnection System Impact Study is required due to (i) a higher queued project dropping out of the queue, (ii) a modification of a higher queued project subject to Section 4.4, (iii) re-designation of the Point of Interconnection pursuant to Section 7.2, (iv) a re-assessment of the upgrade responsibilities of an Elective Transmission Upgrade associated with an Import Capacity Resource(s) or a Generating Facility after the Import Capacity Resource(s) or the Generating Facility receives a Capacity Supply Obligation in accordance with Section III.13 of the Tariff, or (v) a modification to a transmission project included in the Base Case, the System Operator shall notify the Interconnection Customer and Interconnecting Transmission Owner in writing.

Each re-study shall be conducted serially based on the Queue Position of each Interconnection Customer, and each re-study shall take no longer than sixty (60) Calendar Days from the date the re-study commences. Any cost of re-study shall be borne by the Interconnection Customer being re-studied. If the

~~original Interconnection System Impact Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection System Impact Study Agreement.~~

7.7 Operational Readiness.

The System Operator shall, as close to ~~the Interconnection Customer~~Interconnection Customer's actual Synchronization Date as reasonably possible, ensure that operational analysis, including current stability analyses, power flow analyses, and any other analyses deemed necessary by the System Operator, are performed, and that procedures are developed or updated to address the operation of the New England Transmission System with the addition of ~~the Interconnection Customer~~Interconnection Customer's Generating Facility. The operational analysis will also include tests of system performance with selected facilities out of service. Such studies shall be performed at the expense of ~~the Interconnection Customer~~Interconnection Customer.

The System Operator is not obligated to perform the operational analyses described in this Section 7.7 if, in the exercise of reasonable discretion, the System Operator in consultation with Interconnecting Transmission Owner determines that interconnection of ~~the Interconnection Customer~~Interconnection Customer's Generating Facility to the Administered Transmission System is remote and speculative.

SECTION 8. INTERCONNECTION FACILITIES STUDY.

8.1 Interconnection Facilities Study Agreement.

Except as otherwise provided in Section ~~4.2.4 and 7.54.2.4~~ of this LGIP, ~~the Interconnection Customer~~Interconnection Customer may waive the Interconnection Facilities Study and instead elect expedited interconnection, which means that ~~the Interconnection Customer~~Interconnection Customer may enter into E&P Agreements under Section ~~13.79~~ if it had not already done so, and shall enter into an LGIA in accordance with the requirements specified in Section 11.

If ~~the Interconnection Customer~~Interconnection Customer waives the Interconnection Facilities Study, ~~the Interconnection Customer~~Interconnection Customer, subject to the specific terms of the E&P Agreements, assumes all risks and shall pay all costs associated with equipment, engineering, procurement and construction work covered by the Interconnection Facilities Study as described in Section 8.2 below.

Within five (5) Business Days following System Operator notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), the System Operator shall provide to the Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 34 to this LGIP, simultaneously with the delivery of the Interconnection System Impact Study to the Interconnection Customer.

The Interconnection Facilities Study Agreement shall provide that the Interconnection Customer shall compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Interconnection Facilities Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the LGIA. Within five three (35) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, Interconnection System Impact Study results meeting, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a non-binding good faith estimate of the cost for completing the Interconnection Facilities Study in accordance with requirements specified in Section 8.3 of this LGIP. The Interconnection Customer Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator within thirty (30) Calendar Days after its receipt, together with :

(1) any required technical data;

(2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the System Operator in accordance with Section 3.4.2 of this LGIP;

(3) An additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. In the case of a CETU-enabled Interconnection Request, such deposit shall be made in cash. System Operator shall refund the Commercial Readiness Deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

~~the required technical data and the refundable deposit for the Interconnection Facilities Study.~~ In accordance with Section 8.3, ~~the Interconnection Customer~~Interconnection Customer shall specify in Attachment A to the Interconnection Facilities Study Agreement whether it wants no more than a +/- ~~twenty 20~~ percent (20%) or a +/- ~~ten 10~~ percent (10%) good faith cost estimate contained in the report. The deposit for the study shall be ~~either: (i) the greater of twenty-five percent of the estimated cost of the study or \$250,000; or (ii) the greater of 100 percent of one month's estimated study cost or \$100,000, if the Interconnection Customer can provide: (1) evidence of applications for all Major Permits, as defined in Section III.13.1.1.2.2.2 of the Tariff, required in support of the Interconnection Request, or provide certification that Major Permits are not required or (2) evidence acceptable to the System Operator of At-Risk Expenditures (excluding Interconnection Study costs) totaling at least the amounts of money in (i) above, not including the same At-Risk Expenditures demonstrated with the Interconnection System Impact Study Agreement, if applicable; or (iii) the greater of 100 percent of one month's estimated study cost or \$100,000, if the Interconnection Request is for a modification to an existing Large Generating Facility that does not increase the energy capability or capacity capability of the Large Generating Facility.~~

Any difference between the study deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to ~~the Interconnection Customer~~Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to ~~the Interconnection Customer~~Interconnection Customer an invoice for the cost of the Interconnection Facilities Studies that will be or have been incurred by the System Operator and/or the Interconnecting Transmission Owner for the Interconnection Facilities Study, the study agreement and its attachment(s) and the LGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Interconnection Facilities Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Facilities Study. ~~In the case of Clustering~~For a ~~CFAC that began before May 31, 2024,~~ costs that are associated with an individual Interconnection Request assessed within the CFAC will be charged directly to that Interconnection Customer. CFAC costs that are associated with the CFAC as a whole will be divided equally, on a per-project basis, among ~~the Interconnection Customer~~Interconnection Customers in the cluster. The System Operator and the Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice ~~the Interconnection Customer~~Interconnection Customer on a monthly basis for the work to be conducted on

the Interconnection Facilities Study each month. ~~The Interconnection Customer~~Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with ~~the Interconnection Customer~~Interconnection Customer and the Interconnecting Transmission Owner.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall ~~be specify-specific to each Interconnection Request and performed on an individual, i.e., non-clustered basis.~~ The Interconnection Facilities Study shall specify and provide a non-binding ~~and~~ estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the ~~Interconnection System Impact Study Cluster Study Report (and any associated restudies)~~ in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilityies to the Administered Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study shall also identify any potential control technology for ~~the Large Generating Facility if the Interconnection Customer has (1) requests for requested~~ Interconnection Service at a level that is lower than the nameplate capability of the facility, and/or (2) for Generating Facilities that include at least one electric storage resource, where study of the charging mode of the electric storage resource(s), was done using net shoulder system load as defined in ISO New England Planning Procedures. The scope and cost of the Interconnection Facilities Study shall include completion of any engineering work limited to what is reasonably required to (i) estimate such aforementioned cost to the accuracy specified by ~~the Interconnection Customer~~Interconnection Customer pursuant to Section 8.3, (ii) identify, configurations of required facilities and (iii) identify time requirements for construction and installation of required facilities.

8.3 Interconnection Facilities Study Procedures.

The System Operator shall coordinate the Interconnection Facilities Study with Interconnecting Transmission Owner, and any Affected Party [or Internal Affected Party](#) as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, pursuant to Section 3.6 [of this LGIP](#)~~above~~. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The System Operator and Interconnecting Transmission Owner shall ~~use Reasonable Efforts to~~ complete the study and the System Operator shall issue a draft Interconnection Facilities Study report to ~~the Interconnection Customer~~[Interconnection Customer](#), Interconnecting Transmission Owner, and any Affected Party [or Internal Affected Party](#) as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- ~~twenty~~[20](#) percent ([20%](#)) good faith cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if ~~the Interconnection Customer~~[Interconnection Customer](#) requests a +/- ~~ten~~[10](#) percent ([10%](#)) good faith cost estimate. Such cost estimates either individually or in the aggregate will be provided in the final study report. ~~If the System Operator uses Clustering, the System Operator and the Interconnecting Transmission Owner shall use Reasonable Efforts to deliver a completed Interconnection Facilities Study within the times specified in this Section 8.3.~~

At the request of ~~the Interconnection Customer~~[Interconnection Customer](#) or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Interconnection Facilities Study, System Operator shall notify ~~the Interconnection Customer~~[Interconnection Customer](#), and any Affected Party [or Internal Affected Party](#) as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, as to the schedule status of the Interconnection Facilities Study. If the System Operator is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study ~~R~~Report within the time required, the System Operator shall notify ~~the Interconnection Customer~~[Interconnection Customer](#), Interconnecting Transmission Owner and any Affected Party [or Internal Affected Party](#) as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and provide an estimated completion date and an explanation of the reasons why additional time is required.

~~The Interconnection Customer~~[Interconnection Customer](#) and appropriate Affected Parties [and Internal Affected Parties](#) may, within thirty (30) Calendar Days after receipt of the draft [Interconnection Facilities](#)

~~Study R~~Report, provide written comments to the System Operator and Interconnecting Transmission Owner, which the System Operator shall include in the final Interconnection Facilities Study Rreport. The System Operator shall issue the final Interconnection Facilities Study ~~R~~Report within fifteen (15) Business Days of receiving ~~the Interconnection Customer~~Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The System Operator may reasonably extend such fifteen-day period upon notice to ~~the Interconnection Customer~~Interconnection Customer if ~~the Interconnection Customer~~Interconnection Customer's comments require the System Operator or Interconnecting Transmission Owner to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, the System Operator and Interconnecting Transmission Owner shall provide ~~the Interconnection Customer~~Interconnection Customer and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, or any third party consultant retained by ~~the Interconnection Customer~~Interconnection Customer supporting documentation, with workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to ~~the Interconnection Customer~~Interconnection Customer.

8.4 Meeting with Parties.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Rreport to Interconnection Customer, the System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Interconnection Facilities Study.

8.5 Re-~~s~~Study.

If re-study of the Interconnection Facilities Study is required due to (i) a higher or equally queued project withdrawing from dropping out of the queue, (ii) a modification of a higher of equally queued project subject to Section 4.4 of this LGIP, ~~(iii) a re-assessment of the upgrade responsibilities of an Elective Transmission Upgrade associated with an Import Capacity Resource(s) or a Generating Facility after the~~

~~Import Capacity Resource(s) or the Generating Facility receives a Capacity Supply Obligation in accordance with Section III.13 of the Tariff, or (iiiiv)~~ a modification to a transmission project included in the Base Case, the System Operator shall notify ~~the Interconnection Customer~~Interconnection Customer and Interconnecting Transmission Owner in writing. Each re-study shall be conducted serially based on the Queue Position of each Interconnection Customer, and each re-study shall take no longer than sixty (60) Calendar Days from the date ~~of notice~~the re-study commences. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customer, aAny cost of re-study shall be borne by ~~the Interconnection Customer~~Interconnection Customer being re-studied. If the original Interconnection Facilities Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Facilities Study Agreement.

Section 9 Affected System Study.

9.1 Applicability.

This Section 9 outlines the duties of System Operator and Interconnecting Transmission Owner when they receive notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System.

9.2 Response to Notifications

9.2.1 Response to Initial Notification

When System Operator receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System, System Operator must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after the System Operator responds with its affirmative intent to conduct an Affected System Study, System Operator shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host

transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy, System Operator will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that System Operator intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If System Operator decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If System Operator decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this LGIP.

9.3 Affected System Queue Position.

System Operator must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the System Operator's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this LGIP, System Operator and Interconnecting Transmission Owner shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.

Unless otherwise agreed, System Operator shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 79 or Appendix 840 to this LGIP, as applicable, within ten (10) Business Days of System Operator sharing the schedule for the Affected System Study per Section 9.2.1 of this LGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate System Operator and Interconnecting Transmission Owner for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. System Operator shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to System Operator, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If System Operator notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this LGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, System Operator shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical

data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the New England Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected the New England Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. System Operator and Interconnecting Transmission Owner has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt if interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study

the full generating facility capacity due to safety or reliability concerns. The Affected System Study shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

System Operator shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. System Operator and Interconnecting Transmission Owner shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, System Operator and Interconnecting Transmission Owner shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If System Operator and Interconnecting Transmission Owner are unable to complete the Affected System Study within the requisite time period, it shall notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. If System Operator and Interconnecting Transmission Owner do not meet the deadlines in this Section, System Operator and Interconnecting Transmission Owner shall be subject to the financial penalties as described in Section 3.9 of this LGIP. Upon request, System Operator shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

System Operator and Interconnecting Transmission Owner must study an Affected System Interconnection Customer using the Network Resource Interconnection Service modeling standard used for Interconnection Requests on the New England Transmission System, regardless of the level of

interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Results Meeting.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), System Operator, Interconnecting Transmission Owner and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

System Operator shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Schedule 11 of the OATT.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

Interconnecting Transmission Owner shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 944 or 102 to this LGIP, within thirty (30) Calendar Days of System Operator providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. Interconnecting Transmission Owner shall execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, System Operator shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

~~SECTION 9. ENGINEERING & PROCUREMENT (“E&P”) AGREEMENT.~~

~~Prior to executing an LGIA, an Interconnection Customer may request, in order to advance the implementation of its interconnection, and the Interconnecting Transmission Owner and any Affected Party shall offer the Interconnection Customer, an E&P Agreement that authorizes the Interconnecting Transmission Owner and any Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Interconnecting Transmission Owner or any Affected Party shall not be obligated to offer an E&P Agreement if the Interconnection Customer is in Dispute Resolution as a result of an allegation that the Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer’s Queue Position or Initial Synchronization Date. The E&P Agreement shall provide for the Interconnection Customer to pay the cost of all activities authorized by the Interconnection Customer, including a deposit of 100 percent of the estimated engineering and study costs, and to make advance payments or provide other satisfactory security for such costs.~~

~~The Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If the Interconnection Customer withdraws its application for interconnection or an E&P Agreement is terminated by any Party, to the extent the equipment ordered can be canceled under reasonable terms, the Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the Interconnecting Transmission Owner or the Affected Party that is a party to an E&P Agreement may elect: (i) to take title to the equipment, in which event the Interconnecting Transmission Owner or relevant Affected Party shall refund the Interconnection Customer any amounts paid by the Interconnection Customer for such equipment and shall pay the cost of~~

~~delivery of such equipment, or (ii) to transfer title to and deliver such equipment to the Interconnection Customer, in which event the Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.~~

SECTION 10. OPTIONAL INTERCONNECTION STUDY.

10.1 Optional Interconnection Study Agreement.

On or after the date when ~~the Interconnection Customer~~ Interconnection Customer receives Cluster Interconnection System Impact Study ~~r~~Report and no later than five (5) Business Days after the study results meeting to review the report, ~~the Interconnection Customer~~ Interconnection Customer may request in writing, and the System Operator in coordination with the Interconnecting Transmission Owner shall perform, an Optional Interconnection Study. The request shall describe the assumptions that ~~the Interconnection Customer~~ Interconnection Customer wishes the System Operator to study within the scope described in Section 10.2 of this LGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, the System Operator shall provide to the Interconnecting Transmission Owner and ~~the Interconnection Customer~~ Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 45.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that ~~the Interconnection Customer~~ Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify ~~the Interconnection Customer~~ Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case, and (iii) specify the System Operator's and Interconnecting Transmission Owner's estimate of the cost of the Optional Interconnection Study. To the extent known by the System Operator, such estimate shall include any costs expected to be incurred by any Affected System or Internal Affected System whose participation is necessary to complete the Optional Interconnection Study. The Optional Interconnection Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Optional Interconnection Study, including the cost of developing the study agreement and its attachment(s). Notwithstanding the above, the System Operator and Interconnecting Transmission Owner shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

~~The Interconnection Customer~~Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the required technical data and the refundable deposit for the Optional Interconnection Study to the System Operator. The deposit for the study shall be 100 percent of the estimated cost of the study. Any difference between the study deposit and the actual cost of the Optional Interconnection Study shall be paid by or refunded to ~~the Interconnection Customer~~Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to ~~the Interconnection Customer~~Interconnection Customer an invoice for the costs of the Optional Interconnection Study that have been, or will be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Optional Interconnection Study and the study agreement and its attachments(s). ~~The Interconnection Customer~~Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposits until settlement of the final invoice with ~~the Interconnection Customer~~Interconnection Customer and the Interconnecting Transmission Owner.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by ~~the Interconnection Customer~~Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The System Operator shall use Reasonable Efforts to coordinate the study with any Affected Systems and Internal Affected Systems that may be affected by the types of Interconnection Services that are being studied. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

The Optional Interconnection Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, including thermal analysis and voltage analysis, a system protection analysis, and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to the System Operator and Interconnecting Transmission Owner within ten (10) Business Days of ~~the Interconnection Customer~~Interconnection Customer receipt of the Optional Interconnection Study Agreement. The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed-upon time period specified within the Optional Interconnection Study Agreement. If the System Operator and Interconnecting Transmission Owner are unable to complete the Optional Interconnection Study within such time period, the System Operator shall notify ~~the Interconnection~~
~~Customer~~Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide ~~the Interconnection Customer~~Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study to any third party consultant retained by ~~the Interconnection~~
~~Customer~~Interconnection Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to ~~the Interconnection Customer~~Interconnection Customer.

10.4 Meeting with Parties.

Within ten (10) Business Days of providing an Optional Interconnection Study report to Interconnection Customer, System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Optional Interconnection Study.

10.5 Interconnection Agreement Developed Based on Optional Interconnection Study.

If the LGIA for a Large Generating Facility is based on the results of an Optional Interconnection Study, the LGIA shall reflect the conditions studied and any obligations that may involve: (i) additional studies if such conditions change, (ii) operational limits, or (iii) financial support for transmission upgrades.

SECTION 11. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA).

11.1 Tender.

Interconnection Customer shall tender comments or provide notice, in writing, to the System Operator and Interconnecting Transmission Owner that ~~the Interconnection Customer~~ Interconnection Customer has no comments on the draft Interconnection Facilities Study ~~R~~ report or on the draft Interconnection System Impact Study report if the Interconnection Customer waived the Interconnection Facilities Study, within thirty (30) Calendar Days of receipt of the report. Except as provided in the E&P Agreement or any mutual agreement by the entities that would be Parties to the LGIA, the System Operator shall initiate the development of the LGIA process within fifteen (15) Calendar Days after the comments are submitted or waived, or within fifteen (15) Calendar Days of notifying System Operator that it will waive the Interconnection Facilities Study, by tendering to ~~the Interconnection Customer~~ Interconnection Customer a draft LGIA, together with draft appendices completed by the System Operator, in conjunction with the Interconnecting Transmission Owner to the extent practicable. The draft LGIA shall be in the form of the System Operator's Commission-approved standard form LGIA, which is in Appendix ~~116~~ to Schedule 22. ~~The Interconnection Customer~~ Interconnection Customer shall return ~~the Interconnection Customer~~ Interconnection Customer specific information required to complete the form of LGIA, including the appendices, in Appendix ~~116~~ of Schedule 22 that ~~the Interconnection Customer~~ Interconnection Customer is willing to execute within thirty (30) Calendar Days after receipt of the draft from the System Operator, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this LGIP, at the request of ~~the Interconnection Customer~~ Interconnection Customer, the System Operator and Interconnecting Transmission Owner shall begin negotiations with ~~the Interconnection Customer~~ Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement ~~the~~

~~Interconnection Facilities Study is complete~~ or after the ~~Cluster Interconnection System Impact Study~~ and/or ~~Cluster Restudy~~ is complete if ~~the Interconnection Customer~~ Interconnection Customer intends to waive the Interconnection Facilities Study. In the event that the Interconnection Customer ~~Interconnection Customer~~ waives the Interconnection Facilities Study and proceeds directly from the Cluster Study or Cluster Restudy to LGIA negotiation, the Interconnection Customer Interconnection Customer shall provide an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%), as required by Section 8.1 of this LGIP, within thirty (30) Calendar Days of the Cluster Study Report Meeting or Cluster Restudy Report meeting (as applicable). The System Operator, Interconnection Customer, and Interconnecting Transmission Owner shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender by the System Operator of the draft LGIA pursuant to Section 11 of this LGIP. If ~~the Interconnection Customer~~ Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 of this LGIP and request submission of the unexecuted LGIA with the Commission or initiate Dispute Resolution procedures pursuant to Section 13.5 of this LGIP. If ~~the Interconnection Customer~~ Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if ~~the Interconnection Customer~~ Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within sixty (60) Calendar Days of tender of by the System Operator of the draft LGIA pursuant to Section 11.1, it shall be deemed to have withdrawn its Interconnection Request. The System Operator and Interconnecting Transmission Owner shall provide to ~~the Interconnection Customer~~ Interconnection Customer a final LGIA within fifteen (15) Business Days after the mutually agreed completion of the negotiation process.

11.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP, System Operator shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying

LGIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to LGIA execution, or request unexecuted filing, without those results, it may notify System Operator of its intent to proceed with LGIA execution (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP. If System Operator determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, System Operator must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA (or request that the LGIA be filed unexecuted) to thirty (30) Calendar Days after such notice is provided.

11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of LGIA.

11.3.1 Evidence to be Provided by Interconnection Customer.

11.3.1.1 Site Control and LGIA Deposit. Simultaneously with submitting the executed LGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer request that the LGIA be filed unexecuted at the Commission, Within fifteen (15) Business Days after receipt of the final LGIA, the Interconnection Customer shall provide (A) to the System Operator demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and, reasonable evidence of continued Site Control, or (B) to the Interconnecting Transmission Owner, in a form acceptable to the Interconnecting Transmission Owner, the LGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft LGIA minus the total amount of Commercial Readiness Deposit that Interconnection Customer has provided to the System Operator for its Interconnection Request. Interconnecting Transmission Owner shall use LGIA Deposits as (or as a portion of) the Interconnection Customer's security required under Article 11.5 of the LGIA. Interconnection Customer may not request to suspend its LGIA under Article 5.16 of the LGIA until Interconnection Customer has provided (A) to the System Operator and (B) to the Interconnecting Transmission Owner. If Interconnection Customer fails to provide (A) and (B) within the thirty (30) Calendar Days allowed for returning the executed LGIA and appendices under Section 11.1 of this LGIP, or within ten (10) Business Days after Interconnection Customer requests that the System Operator and Interconnecting Transmission Owner file the LGIA unexecuted at the Commission as allowed in this Section 11.3 of this LGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP. posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. Interconnection Customer does not need to demonstrate Site Control where the

~~Interconnection Request is for a modification to the Interconnection Customer's existing Large Generating Facility and the Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property.~~

11.3.1.2 Development Milestones. ~~Simultaneously with submitting the executed LGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer requests that the LGIA be filed unexecuted. Within fifteen (15) Business Days after receipt of the final LGIA, the~~ Interconnection Customer also shall provide to the System Operator reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, to be elected by ~~the Interconnection Customer~~ Interconnection Customer, has been achieved ~~(unless such milestone is inapplicable due to the characteristics of the Generating Facility)~~: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract ~~(or comparable evidence)~~ (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; (v) application for an air, water, or land use permit.

At the same time, ~~the Interconnection Customer~~ Interconnection Customer with an Interconnection Request that was not studied using Clustering shall commit to a schedule for the payment of upgrades identified in the Interconnection Studies or an E&P Agreement, ~~and either: (A) provide evidence of approvals for all Major Permits, as defined in Section III.13.1.1.2.2(a) of the Tariff, or (B) provide to the Interconnecting Transmission Owner, in the form acceptable to the Interconnecting Transmission Owner, a refundable deposit of twenty (20) percent of the total costs for the Interconnection Facilities and other upgrades identified in the Interconnection Studies or an E&P Agreement, unless the Interconnecting Transmission Owner's expenditure schedule for the Interconnection Facilities and other upgrades calls for an initial payment of greater than twenty (20) percent of the total upgrade costs, in which case the scheduled initial payment must instead be made within the fifteenth Business Day after receipt of the final LGIA. If the Interconnection Customer selects option (B) above, it shall also commit in the LGIA to the achievement of: (i) milestones for the completion of Major Permit approvals, and (ii) in the case of a CNR Interconnection Request, milestones to align the LGIA with the fulfillment of terms outlined in Section III.13 of the Tariff for participation in the Forward Capacity Market.~~

Within fifteen (15) Business Days after receipt of the final LGIA, an Interconnection Customer with an Interconnection Request studied using the CSIS and CFAC processes where such studies were triggered prior to the effective date of this LGIP Clustering that provided the additional Cluster Participation Deposit ~~CETU Participation Deposit~~ in accordance with Section 4.2.4.4 shall provide to the Interconnecting Transmission Owner, in cash, a potentially non-refundable deposit of twenty (20) percent of the total costs for the Interconnection Facilities and other upgrades, including any CETUs, identified in the CFAC, unless the Interconnecting Transmission Owner's expenditure schedule for the Interconnection Facilities and other upgrades calls for an initial payment of greater than twenty (20) percent of the total upgrade costs, in which case the scheduled initial payment must instead be made within the fifteenth Business Day after receipt of the final LGIA. If ~~the Interconnection Customer~~ Interconnection Customer does not submit this deposit (or make the initial payment) by the fifteenth Business Day after receipt of the final LGIA, the Interconnection Request shall be automatically withdrawn from the interconnection queue without further opportunity to cure, and ~~the Interconnection Customer~~ Interconnection Customer's initial and additional ~~Cluster Participation Deposits~~ CETU Participation Deposits shall become non-refundable. The non-refundable initial and additional ~~Cluster Participation Deposits~~ CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to ~~the Interconnection Customer~~ Interconnection Customers with Interconnection Requests included in the cluster at time the facilities proposed in the Interconnection Requests achieve Commercial Operation. If an Interconnection Request is withdrawn after ~~the Interconnection Customer~~ Interconnection Customer's payment of twenty (20) percent of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner, then the payment shall be used to offset the costs of the CETU. Any unspent payments of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner will be refunded to the respective Interconnection Customers that executed the Interconnection Agreement and provided to the Interconnecting Transmission Owner the twenty (20) percent deposit (or initial payment) if all the associated Interconnection Requests are withdrawn from the interconnection queue and the associated Interconnection Agreements are terminated.

11.3.2 Execution and Filing of LGIA. Within fifteen (15) Business Days after receipt of the final LGIA, (i) ~~the Interconnection Customer~~ Interconnection Customer and Interconnecting Transmission Owner shall execute three (3) originals of the tendered LGIA and return them to the System Operator, who will send an original to Interconnecting Transmission Owner and Interconnection Customer; or (ii) ~~the Interconnection Customer~~ Interconnection Customer shall request in writing that the System Operator and the Interconnecting Transmission Owner jointly file with the Commission an LGIA in unexecuted

form. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered LGIA (if it does not conform with a Commission-approved ~~standard form of interconnection agreement~~ Standard Large Generator Interconnection Agreement) or the request to file an unexecuted LGIA, the System Operator and Interconnecting Transmission Owner, in accordance with Section 11.3.3 or Section 11.3.4, as appropriate, shall jointly file the LGIA with the Commission, together with its explanation of any matters as to which the System Operator, Interconnection Customer or Interconnecting Transmission Owner disagree and support for the costs that the Interconnecting Transmission Owner proposes to charge to ~~the Interconnection Customer~~ Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by the System Operator and Interconnecting Transmission Owner for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending Commission action.

With respect to the interconnection of an Interconnection Customer under Schedule 22, the LGIA shall be a three-party agreement among the Interconnecting Transmission Owner, the System Operator and ~~the Interconnection Customer~~ Interconnection Customer. If Interconnecting Transmission Owner, System Operator and Interconnection Customer agree to the terms and conditions of a specific LGIA, or any amendments to such an LGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file the executed LGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act. To the extent the Interconnecting Transmission Owner, System Operator and Interconnection Customer cannot agree to proposed variations from the standard form of LGIA in Appendix 116 or cannot otherwise agree to the terms and conditions of the LGIA for such Large Generating Unit, or any amendments to such an LGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted LGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act and shall identify the areas of disagreement in such filing, provided that, in the event of disagreement on terms and conditions of the LGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of the Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on such terms and conditions.

11.3.3 The Interconnecting Transmission Owner, acting on its own or jointly with the System Operator, may initiate a filing to amend this LGIP and the standard form of LGIA in Appendix [116](#) under Section 205 of the Federal Power Act and shall include in such filing the views of System Operator, provided that the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on any financial obligations of the Interconnecting Transmission Owner or ~~the Interconnection Customer~~[Interconnection Customer](#)(s), and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets.

11.4 Commencement of Interconnection Activities.

If ~~the Interconnection Customer~~[Interconnection Customer](#) executes the final LGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by the Commission. Upon submission of an unexecuted LGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall promptly comply with the unexecuted LGIA, subject to modification by the Commission.

SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES.

12.1 Schedule.

~~The Interconnection Customer~~[Interconnection Customer](#), Interconnecting Transmission Owner and any other Affected Party [or Internal Affected Party](#) shall negotiate in good faith concerning a schedule for the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General. In general, the Initial Synchronization Date of an Interconnection Customer seeking interconnection to the Administered Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than ~~the Interconnection Customer~~Interconnection Customer. An Interconnection Customer with an executed or unexecuted, but filed with the Commission, LGIA, in order to maintain its Initial Synchronization Date, may request that the Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such Initial Synchronization Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than ~~the Interconnection Customer~~Interconnection Customer that is seeking interconnection to the Administered Transmission System, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that ~~the Interconnection Customer~~Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party; (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will refund to ~~the Interconnection Customer~~Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party has not refunded to ~~the Interconnection Customer~~Interconnection Customer. Payment by that entity with a contractual obligation to construct such Network Upgrades shall be due on the date that it would have been due had there been no request for advance construction. The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party shall forward to ~~the Interconnection Customer~~Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to ~~the Interconnection Customer~~Interconnection Customer. The Interconnecting Transmission Owner or appropriate Affected Party then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of the Regional System Plan of the System Operator. An Interconnection Customer with an LGIA, in order to maintain its Initial Synchronization Date, may request that Interconnecting Transmission Owner or appropriate [Internal Affected Party](#) advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such Initial Synchronization Date and (ii) would otherwise not be completed, pursuant to the Regional System Plan, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party [or Internal Affected Party](#) will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that ~~the Interconnection Customer~~[Interconnection Customer](#) commits to pay the Interconnecting Transmission Owner or appropriate Affected Party [or Internal Affected Party](#) any associated expediting costs.

12.2.4 Amended ~~Cluster~~[Interconnection System Impact](#) Study. A ~~n-Interconnection System Impact~~[Cluster](#) Study [Report](#) will be amended to determine the facilities necessary to support the requested Initial Synchronization Date. This amended [study-report](#) will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested Initial Synchronization Date. The LGIA will also be amended to reflect the results of the ~~a~~[Amended Cluster Interconnection System Impact](#) Study and any changes in obligations, including financial support, of the Parties.

SECTION 13. MISCELLANEOUS.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information treated as confidential under the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by any of the Parties to the others prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the

Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by any Party, the other Party(ies) shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6 [of this LGIP](#), Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

13.1.2 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party(ies). The disclosure by each Party to the other Party(ies) of Confidential Information shall not be deemed a waiver by any Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity.

The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR- ~~s~~Section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR ~~S~~Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules, regulations and Section 13.1.

13.1.9 Subject to the exception in Section 13.1.8 of this LGIP, any information that a Party claims is competitively sensitive, commercial or financial information (“Confidential Information”) shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s(ies’) Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in

writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 The System Operator and Interconnecting Transmission Owner shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time when Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

The System Operator and Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. The Party using the services of a subcontractor shall remain primarily liable to ~~the Interconnection Customer~~ Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay System Operator and Interconnecting Transmission Owner the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the System Operator and the Interconnecting Transmission Owner shall charge, and ~~the Interconnection Customer~~ Interconnection Customer shall pay, the actual costs of the Interconnection Studies.

Any difference between the study deposit and the actual cost of the ~~applicable~~ Interconnection Studies shall be paid by or refunded to, except as otherwise provided herein, to ~~the Interconnection Customer~~ Interconnection Customers ~~or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request Cluster prior to beginning of any such future Interconnection Studies.~~ Any invoices for Interconnection Studies shall include a detailed and itemized

accounting of the cost of each Interconnection Study. ~~The Interconnection Customer~~Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP.~~The System Operator and Interconnecting Transmission Owner shall not be obligated to perform or continue to perform any studies unless the Interconnection Customer has paid all undisputed amounts in compliance herewith.~~

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) ~~the Interconnection Customer~~Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 of this LGIP that the System Operator or Interconnecting Transmission Owner will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) ~~the Interconnection Customer~~Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 of this LGIP within the applicable timeframe for such Interconnection Study, then ~~the Interconnection Customer~~Interconnection Customer may request, which request will not be unreasonably denied, that the System Operator and Interconnecting Transmission Owner utilize a third party consultant reasonably acceptable to the System Operator, Interconnection Customer, Interconnecting Transmission Owner and any appropriate Affected Party or Internal Affected Party, to perform such Interconnection Study under the direction of the System Operator or Interconnecting Transmission Owner as applicable. At other times, System Operator or Interconnecting Transmission Owner may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of ~~the Interconnection Customer~~Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where the System Operator or Interconnecting Transmission Owner determines that doing so will help maintain or accelerate the study process for ~~the Interconnection Customer~~Interconnection Customer's pending Interconnection Request and not interfere with the System Operator and Interconnecting Transmission Owner's progress on Interconnection Studies for other pending Interconnection Requests. In cases where ~~the Interconnection Customer~~Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, ~~the Interconnection Customer~~Interconnection Customer, System Operator and Interconnecting Transmission

Owner shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. The System Operator and Interconnecting Transmission Owner shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon ~~the Interconnection Customer~~Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. In any case, such third party contract may be entered into with the System Operator, Interconnection Customer, or Interconnecting Transmission Owner at the System Operator and Interconnecting Transmission Owner's discretion. In the case of (iii) ~~the Interconnection Customer~~Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if the System Operator and Interconnecting Transmission Owner were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes.

The System Operator and Interconnecting Transmission Owner shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "Disputing Party") shall provide the other Party(ies) with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's(ies') receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, after thirty (30) Calendar Days, then (i) in the case of

disputes arising out of or in conjunction with the LGIA, the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted LGIA, or amendment thereto, with the Commission in accordance with Section 11.3.4, or (ii) in the case of disputes arising out of or in connection with any other matter regarding the administration of the LGIP, the System Operator may terminate the Interconnection Request and ~~the Interconnection Customer~~ Interconnection Customer may seek relief pursuant to Section 206 of the Federal Power Act. Each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Schedule 22.

13.5.2 External Arbitration Procedures. Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons for such decision. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one-third of any associated arbitration costs; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties and one-third of any associated arbitration costs.

13.5.5 Non-binding Dispute Resolution Procedures. If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 [of this LGIP](#), and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that the other Parties engage in Non-binding Dispute Resolution pursuant to this Section 13.5.5 by providing written notice to the other Parties (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section 13.5.5 without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in [this](#) Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, System Operator must within [thirty \(30\) Calendar Days](#) of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with the Parties. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration, or in a Federal Power Act Section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Facilities Financed by Local Furnishing Bonds. This provision is applicable only to interconnections associated with facilities financed for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, the Interconnecting Transmission Owner shall not be required to provide Interconnection Service to ~~the Interconnection Customer~~Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Interconnecting Transmission Owner's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service. If the Interconnecting Transmission Owner determines that the provision of Interconnection Service requested by ~~the Interconnection Customer~~Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise ~~the Interconnection Customer~~Interconnection Customer within thirty (30) Calendar Days of receiving notice of the Interconnection Request. ~~The Interconnection Customer~~Interconnection Customer thereafter may renew its Interconnection Request using the process specified in the Tariff.

13.7 Engineering & Procurement ("E&P") Agreement

Prior to executing an LGIA, an Interconnection Customer may request, in order to advance the implementation of its interconnection, and the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party shall offer ~~the Interconnection Customer~~Interconnection Customer, an E&P Agreement that authorizes the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Interconnecting Transmission Owner or any Affected Party or Internal Affected Party shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer's Queue Position or Initial Synchronization Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer, including a deposit of 100 percent of the

estimated engineering and study costs, and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or an E&P Agreement is terminated by any Party, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the Interconnecting Transmission Owner or the Affected Party or Internal Affected Party that is a party to an E&P Agreement may elect: (i) to take title to the equipment, in which event the Interconnecting Transmission Owner or relevant Affected Party or Internal Affected Party shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

APPENDICES TO LGIP

~~APPENDIX 1—INTERCONNECTION REQUEST~~

~~APPENDIX 2—INTERCONNECTION FEASIBILITY STUDY AGREEMENT~~

~~APPENDIX 3—INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT~~

~~APPENDIX 4—INTERCONNECTION FACILITIES STUDY AGREEMENT~~

~~APPENDIX 5—OPTIONAL INTERCONNECTION STUDY AGREEMENT~~

~~APPENDIX 6—LARGE GENERATOR INTERCONNECTION AGREEMENT~~

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY
AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTI-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 MULTI-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION
AGREEMENT

APPENDIX 11 LARGE GENERATION INTERCONNECTION AGREEMENT

APPENDIX 12 INTERCONNECTION PROCEDURES FOR WIND GENERATION

APPENDIX 1
INTERCONNECTION REQUEST

The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility to the Administered Transmission System under Schedule 22- - Large Generator Interconnection Procedures (“LGIP”) of the ISO New England Inc. Open Access Transmission Tariff (the “Tariff”). Capitalized terms have the meanings specified in the Tariff.

PROJECT INFORMATION

Proposed Project Name: _____

1. This Interconnection Request is for (check one):

- _____ A proposed new Large Generating Facility
- _____ An increase in the generating capacity or a modification that has the potential to be a Material Modification of an existing Generating Facility
- _____ Commencement of participation in the wholesale markets by an existing Generating Facility
- _____ A change from Network Resource Interconnection Service to Capacity Network Resource Interconnection Service

2. The types of Interconnection Service requested:

- _____ Network Resource Interconnection Service (energy capability only)
- _____ Capacity Network Resource Interconnection Service (energy capability and capacity capability)

☐ [Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing](#)

~~If Capacity Network Resource Interconnection Service, does Interconnection Customer request Long Lead Facility treatment? Check: ____ Yes or ____ No~~

~~If yes, provide, together with this Interconnection Request, the Long Lead Facility deposit and other required information as specified in Section 3.2.3 of the LGIP, including (if the Large Generating Facility will be less than 100 MW) a justification for Long Lead Facility treatment.~~

~~3. This Interconnection Customer requests (check one, selection is not required as part of the initial Interconnection Request):~~

~~_____ An Interconnection Feasibility Study~~

~~_____ An Interconnection System Impact Study~~

~~(The Interconnection Customer shall select either option and may revise any earlier selection up to within five (5) Business Days following the Scoping Meeting.)~~

~~34. The Interconnection Customer~~Interconnection Customer shall provide the following information:

Address or Location of the Facility (including Town/City, County and State):

~~Approximate location of the proposed~~ Requested Point of Interconnection:

Type of Generating Facility to be Constructed: _____

Will the Generating Facility include electric storage capacity? Yes ___ No ___

Will the electric storage device charge from the Administered Transmission System? Yes No

If yes, describe the electric storage device and specifications to include aggregate charging capability measured at the POI and the associated aggregate reactive capability measured at the high side of the main transformer:

Primary frequency response operating range for electric storage resources:

Generating Facility Fuel Type:

Generating Facility Capacity (MW):

Temperatures ¹	Maximum Gross MW Electrical Output ²	Maximum Net MW Electrical Output ³	Net MW Capability at the Point of Interconnection ⁴
At or above 90 degrees F			
At or above 50 degrees F			
At or above 20 degrees F			
At or above 0 degrees F			

Requested capacity (in MW) of Interconnection Service- (in MW)(if lower than the Generating Facility Capacity):

<u>Temperatures¹ Service Level⁵</u>	<u>Requested Gross MW Electrical Output²</u>	<u>Requested Net MW Electrical Output³</u>	<u>Requested Net MW Capability at the Point of Interconnection⁴</u>
<u>CNR Capability SummerAt or above 90 degrees F</u>			
<u>NR Capability SummerAt or above 50 degrees F</u>			
<u>CNR Capability WinterAt or above 20 degrees F</u>			
<u>NR Capability WinterAt or above 0 degrees F</u>			

Notes:

¹ In each row, insert all values corresponding to the given temperature, or a temperature greater than the given temperature, at which aggregate maximum gross output of the Generating Facility would be the highest. For example, if the aggregate maximum gross Generating Facility output occurs at 12 degrees F, all values in the “At or above 0 degrees F” row shall correspond to the 12 degrees F operating condition.

² Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility.

³ Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility less any station service at each generating unit’s terminal(s) or inverter/converter terminal(s), as applicable.

⁴ Measured at ~~the Interconnection Customer~~Interconnection Customer’s proposed Point of Interconnection. The values correspond to the requested levels of Interconnection Service pursuant to Section 3.1 of the LGIP. The values account for any station service, losses incurred in Interconnection Facilities, station or generator step up transformers, and any other auxiliary systems. After the Interconnection Request is deemed valid, any increases to these values shall be subject to a new, separate Interconnection Request.

⁵ As described in Section II.48.1 for CNR Capability and II.48.2 for NR Capability.

General description of the equipment configuration, including any proposed control technologies to restrict the Large Generating Facility's output to the requested Interconnection Service levels, if applicable (# of units and GSUs):

Requested Commercial Operations Date:

Requested Initial Synchronization Date:

Requested In-Service Date:

Evidence of Site Control (check one):

☐ For a request for CNR Interconnection Service: 100% exclusive Site Control in Interconnection Customer's name is provided herewith.

☐ For a request for NR Interconnection Service: 100% exclusive Site Control in Interconnection Customer's name is provided herewith; or in lieu of evidence of Site Control,

☐ a \$10,000/MW deposit subject to a minimum of \$500,000 and a maximum of \$2,000,000 is provided (refundable within the cure period as described in Section 3.4.3 of the LGIP), and,

☐ a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations, and

☐ documentation sufficiently describing and explaining the source and effects of such regulatory limitations

☐ If for Capacity Network Resource Interconnection Service, Site Control is provided herewith, as required.

☐ If for Network Resource Interconnection Service: (Check one)

☐ Is provided herewith

~~_____ In lieu of evidence of Site Control, a \$10,000 deposit is provided (refundable within the cure period as described in Section 3.4.3 of the LGIP).~~

_____ Site Control is not provided because the proposed modification is to ~~the~~ Interconnection Customer Interconnection Customer's existing Large Generating Facility and, by checking this option, ~~the Interconnection Customer~~ Interconnection Customer certifies that it has Site Control and that the proposed modification does not require additional real property.

~~The technical data specified within the applicable attachment to this form (check one):~~

~~_____ Is included with the submittal of this Interconnection Request form~~

~~_____ Will be provided on or before the execution and return of the Feasibility Study Agreement (Attachment A (and Attachment A-1, if applicable) or Attachment B, depending on the scope of the study) or the System Impact Study Agreement (Attachment A (and Attachment A-1, if applicable)), as applicable~~

The ISO will post the Project Information on the ISO web site under "~~New Interconnections~~ Service" and the Interconnection Request Tracking Tool or IRTT OASIS.

CUSTOMER INFORMATION

Company Name: _____

ISO Customer ID# ~~(If available)~~: _____

(Interconnection Customer)

Company Address: PO Box No.:

Street Address: _____

City, State- ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _ _____

Phone: _____ FAX: _____ email: _____

This Interconnection Request is submitted by:

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

In order for an Interconnection Request to be considered a valid request, it must include:

- (a) Be accompanied by all required deposits ~~deposit of \$50,000.00 that is~~ provided electronically and ~~which~~ may be refundable in accordance with Section 3.4.21 of the LGIP;*
- (b) Required Cluster Study Deposit that may be refundable in accordance with Section 3.4.2 of the LGIP that is provided electronically;*
- ~~(a)~~(c) Commercial Readiness Deposit and may be refundable in accordance with Section 3.4.2 of the LGIP;*
- ~~(b)~~(d) For CNR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv)~~For Capacity Network Resource Interconnection Service, include documentation demonstrating Site Control. If for Network Resource Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv) or (1) a signed affidavit from an officer of the Interconnection Customer~~Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. demonstrate Site Control or post an additional deposit of \$10,000.00. If the Interconnection Customer with an Interconnection Request for Network Resource Interconnection Service demonstrates Site Control within the cure period specified in Section 3.4.1 of the LGIP, the additional deposit of \$10,000.00 shall be refundable (An Interconnection Customer does not need to demonstrate Site Control for an*

Interconnection Request for a modification to its existing Large Generating Facility where ~~the~~ Interconnection Customer has certified that it has Site Control and that the proposed modification does not require additional real property). Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;

(e) Include a detailed map, such as a map of the quality produced by the U.S. Geological Survey, which clearly indicates the site of the new facility and pertinent surrounding structures; and

~~(d)~~ Include all information required on the Interconnection Request form and attachments thereto;
~~and~~

(e) f) Include the deposit and all information required for Long Lead Facility treatment, if such treatment is requested in accordance with Section 3.2.3 of the LGIP.

The Interconnection Request and attachments thereto must be submitted to the System Operator via the Interconnection Request Tracking Tool or IRTT, a web-based application for submitting, tracking and viewing Interconnection Requests available on the ISO New England website.

The technical data required below must be inputted directly into IRTT and submitted no later than the date of execution of the System Impact Study Agreement with the Interconnection Request pursuant to Section 7.23.4.2 of the LGIP.

LARGE GENERATING FACILITY DATA

UNIT RATINGS

Kva	°F	Voltage
Power Factor		
Speed (RPM)		Connection (e.g. Wye)
Short Circuit Ratio		Frequency, Hertz
Stator Amperes at Rated Kva		Field Volts
Max Turbine MW	°F	

Primary frequency response operating range for electric storage resources:

Minimum State of Charge:

Maximum State of Charge:

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 90 ° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 50° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 20° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 0° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	=	kW sec/kVA
Moment-of-Inertia, WR ²	=	lb. ft. ²

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS	QUADRATURE AXIS
Synchronous – saturated	X _{dv}	X _{qv}
Synchronous – unsaturated	X _{di}	X _{qi}
Transient – saturated	X' _{dv}	X' _{qv}
Transient – unsaturated	X' _{di}	X' _{qi}
Subtransient – saturated	X'' _{dv}	X'' _{qv}
Subtransient – unsaturated	X'' _{di}	X'' _{qi}
Negative Sequence – saturated	X _{2v}	
Negative Sequence – unsaturated	X _{2i}	

FIELD TIME CONSTANT DATA (SEC)

Zero Sequence – saturated	X _{0v}	
Zero Sequence – unsaturated	X _{0i}	
Leakage Reactance	X _{lm}	
Open Circuit	T' _{qo}	T' _{do}
Three-Phase Short Circuit Transient	T' _{d3}	T' _q
Line to Line Short Circuit Transient	T' _{d2}	
Line to Neutral Short Circuit Transient	T' _{d1}	
Short Circuit Subtransient	T'' _d	T'' _q
Open Circuit Subtransient	T'' _{do}	T'' _{qo}

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T _{a3}
Line to Line Short Circuit	T _{a2}
Line to Neutral Short Circuit	T _{a1}

NOTE: If requested information is not applicable, indicate by marking “N/A.”

MW CAPABILITY AND PLANT CONFIGURATION
LARGE GENERATING FACILITY DATA
ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1	
Negative	R2	
Zero	R0	
Rotor Short Time Thermal Capacity I^2t	=	
Field Current at Rated kVA, Armature Voltage and PF	=	amps
Field Current at Rated kVA and Armature Voltage, 0 PF	=	amps
Three Phase Armature Winding Capacitance	=	microfarad
Field Winding Resistance	=	ohms °C
Armature Winding Resistance (Per Phase)	=	ohms °C

CURVES

As applicable, provide Saturation, Vee, ~~Reactive Capability~~, Capacity Temperature Correction curves.
A Reactive Capability is required for all Large Generating Facilities. As applicable, designate normal and emergency Hydrogen Pressure operating range for multiple curves.

MODELS FOR NON-SYNCHRONOUS GENERATORS

Models that meet the requirements of ISO New England Planning Procedures:

1. an appropriately parameterized library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, that corresponds to Interconnection Customer's Small Generating Facility, and,
2. a validated user-defined model where one exists for the equipment (i.e. where the manufacturer attests that a library model may fully capture the behavior of the equipment). The user model will

only be used for the fuller understanding of equipment behavior and will not be used to finalize the upgrade requirements in the Cluster Study and will not be added to base cases going forward.

3. A validated electromagnetic transient model

Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection Customer that the model accurately represents the entire Small Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Small Generating Facility; or test data).

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/Maximum Nameplate
/ Kva

Voltage Ratio Generator side/System side/Tertiary
/ kV

Winding Connections Generator side/System Side/Tertiary (Delta or Wye)
/

Fixed Taps Available

Present Tap Setting

IMPEDANCE

Positive	Z1 (on self-cooled kVA rating)	%	X/R
Zero	Z0 (on self-cooled kVA rating)	%	X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (“PSS”) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND AND INVERTER-BASED GENERATORS

A completed Attachment A-1 Supplementary Wind and Inverter-Based Generating Facility Form to this Attachment A, must be supplied for all Interconnection Requests for wind and inverter-based Generating Facilities.

MODEL REQUIREMENTS

For all Generating Facility types: A completed, fully functioning, public (*i.e.*, non-proprietary, non-confidential) Siemens PTI’s (“PSSE”) power flow model or other compatible formats, such as IEEE and General Electric Company Power Systems Load Flow (“PSLF”) data sheet , must be supplied with this Attachment A. If additional public data sheets are more appropriate to the proposed device then they shall be provided and discussed at the Scoping Meeting. For all Interconnection Studies commencing

after January 1, 2017, all power flow models must be standard library models in PSS/E or applicable applications. After January 1, 2017, user-models will not be accepted.

Attachment A (page 7)
To Appendix 1
Interconnection Request
Technical Data Required For
Interconnection System Impact Study

A PSCAD model for all wind and inverter-based Generating Facilities and any Interconnection Facilities such as HVDC or auxiliary dynamic reactive devices must be supplied with this Attachment A. If a PSCAD model is deemed required for other Generating Facility types ~~at the Scoping Meeting~~, such PSCAD model must be provided to the System Operator with this Appendix 1 Attachment A and A-1 within ninety (90) Calendar Days of the executed Interconnection System Impact Study Agreement. A benchmarking analysis, consistent with the requirements in the ISO New England Planning Procedures, ~~confirming acceptable performance of the PSS/E model in comparison to the PSCAD model and~~, shall be provided ~~at the time PSCAD model is submitted~~ with this Attachment A and A-1.

INDUCTION GENERATORS:

- (*) Field Volts:
- (*) Field Amperes:
- (*) Motoring Power (kW):
- (*) Neutral Grounding Resistor (If Applicable):
- (*) I_2^2t or K (Heating Time Constant):
- (*) Rotor Resistance:
- (*) Stator Resistance:
- (*) Stator Reactance:
- (*) Rotor Reactance:
- (*) Magnetizing Reactance:
- (*) Short Circuit Reactance:
- (*) Exciting Current:
- (*) Temperature Rise:
- (*) Frame Size:
- (*) Design Letter:
- (*) Reactive Power Required In Vars (No Load):
- (*) Reactive Power Required In Vars (Full Load):
- (*) Total Rotating Inertia, H: Per Unit on KVA Base

Note: Please consult System Operator prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Attachment A to the Interconnection Request is true and accurate.

For Interconnection Customer:_____Date:_____

**SUPPLEMENTARY WIND AND INVERTER-BASED GENERATING FACILITY AND
INTERCONNECTION FACILITIES DATA FORM**

- a) Attach a Geographic Map Demonstrating the Project Layout and its Interconnection to the Power Grid. (Specify the name of the attachment here)

- b) Attach a Bus-Breaker Based One-line Diagram (The diagram should include each of the individual unit generators, generator number, HVDC rating and terminal voltage.) (Specify the name of the attachment here)

i. Collection system detail impedance sheet

If a collector system is used, attach a collector system data sheet in accordance with the one-line diagram attached above. The data sheet should include: the type, length Z_0 , Z_1 and X_c/B of each circuit (feeder and collector string).

Specify the name of the attachment here: _____

ii. Collection system aggregate (equivalent) model data sheet

Attach an aggregate (equivalent) collection system data sheet. The data table should include: the type, length, Z_0 , Z_1 and X_c/B of the equivalent circuits (feeders and collector strings).

Specify the name of the attachment here: _____

- c) Summary of the Unit Models in the wind or inverter-based ~~g~~Generating ~~f~~Facility– (List all different unit models in the facility)

Manufacturer Model	Type of this WTG* (if applicable)	Generator Unit Numbers in the field	Number(s) of these Units	Maximum Output of this Unit (MW)	Total MW

- * Type 1 – Cage rotor induction generators
 Type 2 – Induction generators with variable rotor resistance
 Type 3 – Doubly-fed asynchronous generators with rotor-side converter
 Type 4 – Full-power converter interface

Repeat the following sections from 4 to 12 for each different unit model.

d) Unit Detail Information

Unit Manufacturer Model	
Terminal Voltage	
Rating of Each Unit (MVA)	
Maximum Gross Electrical Output (MW)	
Minimum Gross Electrical Output (MW)	
Lagging Reactive Power Limit at Rated Real Power Output (MVAR)	
Leading Reactive Power Limit at Rated Real Power Output (MVAR)	
Lagging Reactive Power Limit at Zero Real Power Output (MVAR)	
Leading Reactive Power Limit at Zero Real Power Output (MVAR)	
Station Service Load (MW, MVAR)	
Minimum short circuit ratio (SCR) requirement by manufacturer	
On which bus the minimum SCR is required by manufacturer	
What voltage level the minimum SCR is required by manufacturer	
Positive sequence Xsource	
Zero sequence Xsource	

e) Unit GSU – _____

Nameplate rating (MVA)	
Total number of the GSUs	
Voltages, generator side/system side	
Winding connections, low voltage/high voltage	
Available tap positions on high voltage side	
Available tap positions on low voltage side	
Will the GSU operate as an LTC?	
Desired voltage control range if LTC	
Tap adjustment time (Tap switching delay + switching time) if LTC	
Desired tap position if applicable	
Impedance, Z1, X/R ratio	
Impedance, Z0, X/R ratio	

f) Low Voltage Ride Through (LVRT) – _____ (Specify the Manufacturer Model of this Unit)

Does each Unit have LVRT capability?

Yes___ No___

If yes, please provide:

i. Unit LVRT mode activation and release condition:

When operating at maximum real power, what is the Unit terminal voltage for LVRT mode activation? _____

When operating at maximum real power, what is the Unit terminal voltage for releasing LVRT mode after it is activated? _____

If there is different LVRT activation and release logic, please state here _____

- ii. A wind or other inverter-based generating facility technical manual from the manufacturer including description of LVRT functionality:

Attach the file and specify the name of the attachment here:

- iii. Does the wind or other inverter-based generating facility technical manual attached above include a reactive power capability curve?

Yes___ No___

If no, attach the file and specify the name of the attachment here:

- g) Low Voltage Protection (considering LVRT functionality)

(Specify the Manufacturer Model of this Unit)

Low Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

- h) High Voltage Protection - _____(Specify the Manufacturer Model of this Unit)

~~Attachment A-1 (page 6)~~
~~To Attachment A of Appendix 1~~
~~Supplementary Wind~~
~~and Inverter Based~~
~~Generating Facility Form~~

High Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

i) Low Frequency Protection - _____(Specify the Manufacturer Model of this Unit)

Low Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

j) High Frequency Protection - _____(Specify the Manufacturer Model of this Unit)

High Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

Please make sure the settings in sections 7 through 10 comply with NERC and NPCC standards for generator protection relays.

[Attachment A-1 \(page 7\)](#)
[To Attachment A of Appendix 1](#)
[Supplementary Wind](#)
[and Inverter Based](#)
[Generating Facility Form](#)

k) Unit Reactive Power Control - ____ (Specify the Manufacturer Model of this Unit)

i. What are the options for the Unit reactive power control (check all available)?

- ___ Control the voltage at the Unit terminal
- ___ Control constant power factor at the Unit terminal
- ___ Control constant power factor at the low side of the station main transformer
- ___ Control constant power factor at the high side of the station main transformer
- ___ Control voltage at the low side of the station main transformer
- ___ Control voltage at the high side of the station main transformer
- ___ Other options. Please describe if select others _____

ii. In all the control options selected above, please list the options in which the Unit is able to control its terminal voltage to prevent low/high voltage tripping.

iii. What is the desired control mode from the selected options above? Specify the control plan in this mode. For example: control voltage at which bus to what schedule.

WIND or OR INVERTER-BASED inverter-based GENERATING FACILITY generating facility AND INTERCONNECTION FACILITIES MODELS Model

(All model files provided under this section 12 should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

Attachment A-1 (page 8)
To Attachment A of Appendix 1
Supplementary Wind
and Inverter Based
Generating Facility Form

A. Power flow model

i. A *.RAW file including aggregated/equivalent wind or inverter-based generating facility and HVDC, if applicable, power flow model with appropriate parameters and settings.

*Attach the *.RAW file and specify the name of the attachment(s) here:*

-
- ii. A *.RAW file including **detailed** wind or inverter-based ~~g~~Generating ~~f~~Facility and Interconnection Facilities, if applicable, power flow model with appropriate parameters and settings. *(Optional)*

*Attach the *.RAW file and specify the name of the attachment(s) here:*

B. Dynamic simulation model(s)

(Please note that the dynamic model(s) must match the aggregated/equivalent power flow model(s) provided above. Attach the following information for each of the models.)

- i. Wind or inverter-based ~~g~~Generating ~~f~~Facility and Interconnection Facilities, if applicable, Model(s) _____ (Please Specify the Manufacturer Model(s))

- ii) A compiled PSS/E dynamic model for the ~~turbines~~ Generating Facility and Interconnection Facilities, if necessary (a *.LIB or *.OBJ file)

Attach the *.LIB or *.OBJ file(s) and specify the name(s) of the attachment(s) here:

~~Attachment A-1 (page 9)
To Attachment A of Appendix 1
Supplementary Wind
and Inverter-Based
Generating Facility Form~~

- iii) A dynamic data file with appropriate parameters and settings for the ~~turbines~~ Generating Facility and Interconnection Facilities, if applicable, (typically a *.DYR file)

*Attach the *.DYR file(s) and specify the name(s) of the attachment(s) here:*

- iv) PSS/E wind or inverter-based ~~g~~Generating ~~f~~Facility model user manual for the ~~WTG~~ Generating Facility and Interconnection Facilities

Attach and specify the name of the attachment here:

Repeat the above sections ~~from 6 to 12~~ for each different wind or inverter-based generating facility model.

C. Power Plant Controller

~~Will the~~ For wind or inverter-based ~~G~~generating ~~f~~Facility, ~~be equipped with power plant controller, which has~~ will PPC have the ability to centrally control the output of the units?

Yes__ No__

- i) ~~If yes, please provide:~~

Manufacturer model of the power plant controller

- ii) What are the reactive power control strategy options of the power plant controller?

- iii) Which of the control options ~~s~~ stated above is being used in current operation?

~~Attachment A-1 (page 10)
To Attachment A of Appendix 1
Supplementary Wind
and Inverter Based
Generating Facility Form~~

- iv) Is the power plant controller able to control the unit terminal voltages to prevent low/high voltage tripping?

Yes__ No__

Please provide the park controller technical manual from the manufacturer

Attach the file and specify the name of the attachment here:

D. Station Transformer

Transformer Name	
Nameplate ratings (MVA)	
Total number of the main transformer(s)	
Voltage, High/Low/Tertiary (kV)	
Winding connections, High/Low Tertiary	
Available tap positions on high voltage side	
Available tap positions on low voltage side	
Will the transformer operate as a LTC?	
Desired voltage control range if LTC	

[Attachment A-1 \(page 11\)](#)
[To Attachment A of Appendix 1](#)
[Supplementary Wind](#)
[and Inverter Based](#)
[Generating Facility Form](#)

Tap adjustment time (Tap switching delay + switching time) if LTC		
Desired tap position if applicable		
Tap adjustment time (Tap switching delay + switching time)		
Impedance Z_1 , X/R ratio	Z_{1H-L}	X/R

	Z _{1H-T}	X/R
	Z _{1T-L}	X/R
Impedance Z ₀ , X/R ratio	Z _{0H-L}	X/R
	Z _{0H-T}	X/R
	Z _{0T-L}	X/R

E. Dynamic Simulation Model for the Power Plant Controller(s) ~~(if applicable)~~

(All model files provided under this section ~~15~~ should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

- i) ~~A~~ compiled PSS/E dynamic model for the power plant controller(s) (a *.LIB or *.OBJ file)

*Attach the *.LIB or *.OBJ file and specify the name of the attachment here:*

- ii) A dynamic data file with appropriate parameters and settings for the power plant controller(s) (typically a *.DYR file).

~~Please set the parameters in accordance with the currently used control mode.~~

~~—Attach the *.DYR file and specify the name of the attachment here:~~

~~Attachment A-1 (page 12)
To Attachment A of Appendix 1
Supplementary Wind
and Inverter Based
Generating Facility Form~~

~~iii)~~

- ~~iv)~~ iii) PSS/E model user manual for the power plant controller(s)

Attach the manual and specify the name of the attachment or specify the name of the attachment here: _____

F. Capacitors and Reactors

Please provide necessary modeling data for all the capacitors and reactors ~~belong to the~~ that are part of the Interconnection Facilities ~~facility~~, including: size, basic electrical parameters, connecting bus, switched or fixed, etc.

G. Dynamic Device(s)

(All model files provided under this section 17 should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England standard library models in PSS/E or applicable applications.)

- i) ~~1.~~ 1. Provide necessary modeling data file for all the dynamic devices belong to the facility.

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

- ii) ~~17.~~ 17.2. A dynamic data file containing the parameters for the units (typically a *.DYR file).

Set the parameters in accordance with the desired control mode.

Attach the *.DYR file and specify the name of the attachment here:

~~Attachment A-1 (page 13)
To Attachment A of Appendix 1
Supplementary Wind
and Inverter Based
Generating Facility Form~~

H. Collection System/Transformer Tap-Setting Design

Attach a collection system/transformer tap-setting design calculations, consistent with the requirements in the ISO New England Planning Procedures, that identify the calculations to support the proposed tap settings for the unit step-up transformers and the station step-up transformers.

Attached the design document and specify the name of the attachment here:

~~I) Additional Information~~

~~Are there any special features available to be implemented to the wind or inverter based generating facility? Such as weak grid interconnection solutions, etc.~~

~~Specify the available features here:~~

~~Insert the technical manual for each of the features listed above as objects (display as icons) or specify the name of the attachment here:~~

- I. Provide PSCAD Model and ~~D~~documentation for the wind or inverter-based ~~g~~Generating ~~f~~Facility, the Power Plant Controller(s) and Other Dynamic Devices ~~or HVDC~~for the wind or inverter based generating facility.

~~ISO will determine how much PSCAD work is needed from the wind or inverter based generating facility based on its interconnection system conditions.~~

CLUSTER SYSTEM IMPACT STUDY APPLICATION FORM

The undersigned Interconnection Customer submits this form to request the inclusion of the Interconnection Request for its Large Generating Facility in a Cluster Interconnection System Impact Study pursuant to Section 4.2.3-~~2.2~~ of this LGIP.

To be included in a Cluster Interconnection System Impact Study, the following must be submitted together with this form to the System Operator by the Cluster Entry Deadline:

1. Project Information:

- a. Project Name: _____
- (a) Queue Position: _____
- (b) Is the Interconnection Request contractually associated with an Interconnection Request for an Elective Transmission Upgrade? Yes ____ No ____
If yes, identify Queue Position of the associated Interconnection Request and provide evidence of the contractual commitment. Queue Position No.: ____

2. Initial CETU Participation Deposit ~~Cluster Participation Deposit~~ as specified in Section 4.2.3-~~2.2~~

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

For Interconnection Customer: _____ Date: _____

Attachment B (page 1)
To Appendix 1
Interconnection Request
Technical Data Required For
Interconnection Feasibility Study

The technical data required below must be submitted no later than the date of execution of the Feasibility Study Agreement pursuant to Section 6.1 of the LGIP.

Complete all fields. If field is not applicable, state "N/A".

A. LARGE GENERATING FACILITY DATA

(Aggregated data for all units at the Generating Facility)

	0°F	50°F
1. Total gross Generating Facility rated real power output (MW)		
2. Total gross lagging reactive capability of generator(s) at rated output (MVAR)		
3. Total gross leading reactive capability of generator(s) at rated output (MVAR)		
4. Total station service load (MW)		
5. Total station service load (MVAR)		

Attachment B (page 2)
 To Appendix 1
 Interconnection Request
 Technical Data Required For
 Interconnection Feasibility Study

B. INDIVIDUAL GENERATING UNIT DATA

(Repeat the relevant table for each distinct type of generating unit utilized at the facility)

(Greatest unit rating at ambient temperature of 50°F or above)

Synchronous Generators	
1. Generating unit manufacturer	
2. Generating unit model	
3. Number of generating units	
4. Generating unit gross rated real power output (MW)	
5. Generating unit gross lagging reactive capability at rated output (MVAR)	
6. Generating unit gross leading reactive capability at rated output (MVAR)	
7. Generator rated MVA	
8. Station service (MW)	
9. Station service (MVAR)	
10. Net generator output (MW)	
11. Net generator output (MVAR)	
12. Nominal terminal voltage (kV)	
13. Rated power factor (%)	
14. Direct axis, positive sequence, sub-transient reactance on generator base in per unit, X''_{dv} (Unsaturated)	
15. Positive sequence, generator AC resistance on generator base in per unit, R_a	

Attachment B (page 3)

To Appendix 1

Interconnection Request

Technical Data Required For

Interconnection Feasibility Study

Wind Turbine Generators	
1. Wind turbine manufacturer	
2. Wind turbine model	
3. Number of wind turbines	
4. Wind turbine type (1/2/3/4)	
5. Wind turbine unit rated output (MW)	
6. Wind turbine unit gross lagging reactive capability at rated output and at nominal terminal voltage (MVAR)	
7. Wind turbine unit gross leading reactive capability at rated output and at nominal terminal voltage (MVAR)	
8. Wind turbine converter rated MVA (Type 3 & 4)	
9. Nominal terminal voltage (kV)	
10. Rated power factor (%)	
11. Direct axis, positive sequence, sub-transient reactance on generator base, X''_{dv} (Unsaturated) in per unit	
12. Positive sequence, generator AC resistance on generator base in per unit, R_a	

Attachment B (page 4)
To Appendix 1
Interconnection Request
Technical Data Required For
Interconnection Feasibility Study

Non-Wind Inverter-Based Generators	
1. Inverter manufacturer	
2. Inverter model	
3. Number of inverters	
4. Inverter unit rated output (MW)	
5. Inverter unit gross lagging reactive capability at rated output and at nominal terminal voltage (MVAR)	
6. Inverter unit gross leading reactive capability at rated output and at nominal terminal voltage (MVAR)	
7. Inverter rated MVA	
8. Nominal terminal voltage (kV)	
9. Rated power factor (%)	
Additional Data for Battery Energy Storage System (BESS)	
10. Maximum charging power (MW)	
11. Will BESS be charged from the Administered Transmission System? (Yes/No)	

Attachment B (page 5)
 To Appendix 1
 Interconnection Request
 Technical Data Required For
 Interconnection Feasibility Study

C. GENERATOR SHORT-CIRCUIT DATA

(Repeat the relevant table for each distinct type of generating unit utilized at the facility)

Synchronous Generator(s)		
MVA base for data		
kV base for data		
	R (per unit)*	X (direct axis, saturated) (per unit)*
1. Subtransient		
2. Transient		
3. Synchronous		
4. Negative Sequence		
5. Zero Sequence		
6. Connection (delta, grounded WYE, ungrounded WYE, impedance grounded)		
7.a. Ground resistance if impedance grounded (per unit)		
7.b. Ground reactance if impedance grounded (per unit)		

—* Provide impedance in per unit on the generator MVA base

Inverter-Based Resources (including Type 3 & 4 Wind Turbine)	
Full load current magnitude (Amps) per inverter	
Instantaneous controlled fault current magnitude (Amps) per inverter	

D. TRANSFORMER RATINGS DATA

{Repeat the table for each distinct type of station generator step-up transformer utilized at the facility}

Station generator step-up transformer (Station Transformer)			
Number of Station Transformer(s)			
	Self-cooled	Maximum nameplate	
Capacity (kVA)			
	Generator side	System side	Tertiary
Voltage ratio (kV)			
	Low voltage	High voltage	Tertiary voltage
Winding connections (Delta or Wye)			
	Tap settings		
Fixed taps available		Present tap setting	

(Repeat the table for each distinct type of generating unit step-up transformer utilized at the facility)

Generating unit step-up transformer (GSU) (Wind turbine and inverter based Generating Facilities)			
Number of GSU(s)			
	Self-cooled	Maximum nameplate	
Capacity (kVA)			
	Generator side	System side	Tertiary
Voltage ratio (kV)			
	Low voltage	High voltage	Tertiary voltage
Winding Connections (Delta or Wye)			
	Tap settings		
Fixed taps available		Present tap setting	

E. TRANSFORMER IMPEDANCE DATA

(Repeat the table for each distinct type of GSU transformer and station transformer on self-cooled kVA rating)

2-Winding Transformer			
Data For (Check One)	GSU	Station Transformer	
MVA Base for Data			
	R (p.u.)	X (p.u.)	X/R
Positive Sequence			
Zero Sequence			

3-Winding Transformer				
Data For (Check One)	GSU	Station Transformer		
MVA Base for Data				
	R (p.u.)	X (p.u.)	X/R	Positive Sequence
High Side-Low Side				
High Side-Tertiary				
Low Side-Tertiary				
High Side-Low Side				Zero Sequence
High Side-Tertiary				
Low Side-Tertiary				

**F. COLLECTOR SYSTEM EQUIVALENCE IMPEDANCE DATA FOR
WIND/PHOTOVOLTAIC PLANTS**

(Provide data below in per unit on 100 MVA and nominal line voltage (kV) base. Do not include Station Transformer impedance)

1. Nominal voltage (kV)		
2. Positive sequence resistance (R1) , reactance (X1)		
3. Zero sequence resistance (R0), reactance (X0)		
4. Total branch charging susceptance, B		

Attachment B (page 9)

To Appendix 1
Interconnection Request
Technical Data Required For

Interconnection Feasibility Study

G. INTERCONNECTION FACILITIES TIE LINE DATA

(Provide data below in per unit on 100 MVA and nominal line voltage (kV) base)

(Only list data for lines that are to be added by the generation developer)

1. Nominal Voltage (kV)		
2. Line termination points (The proposed line will connect point 2.a with point 2.b)	2.a.	
	2.b.	
3. Positive sequence resistance (R1) , reactance (X1)		
4. Zero sequence resistance (R0), reactance (X0)		
5. Total branch charging susceptance, B		

In addition, provide the following data:

13. Reactive capability curve

14. For synchronous generator(s)

15. A complete Siemens PTI (“PSSE”) format steady state power flow model of the Generating Facility (including Interconnection Facilities tie line, if applicable)

16. A short circuit model of the Generating Facility (including Interconnection Facilities tie line, if applicable) in ASPEN OneLiner (.OLR) format

15. For collector-based Generating Facilities

15.1 A complete Siemens PTI (“PSSE”) format steady state power flow single machine equivalent model shall be used for each major feeder branch of the Generating Facility as described in Planning Procedure 5-6 (Interconnection Planning Procedure for Generation and Elective Transmission Upgrades)

15.2 A single machine equivalent short circuit model of the Generating Facility (including Interconnection Facilities tie line, if applicable) in ASPEN OneLiner (.OLR) format

~~Technical Data Required For
Interconnection Feasibility Study~~

~~Applicant Signature~~

~~I hereby certify that, to the best of my knowledge, all the information provided in this Attachment B to
the Interconnection Request is true and accurate.~~

~~For Interconnection Customer: _____ Date: _____~~

SURPLUS INTERCONNECTION SERVICE REQUEST APPLICATION

The Surplus Interconnection Customer submits this application to request Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

SURPLUS INTERCONNECTION CUSTOMER AND ORIGINAL INTERCONNECTION
CUSTOMER INFORMATION

Surplus Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Attachment C (page 2)
To Appendix 1
Surplus Interconnection Service
Request Application

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ E-mail: _____

Original Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ email: _____

PROJECT INFORMATION

Description of the Original Interconnection Customer's ~~existing, commercial~~ Large Generating Facility:

Description of the Surplus Interconnection Customer's Generating Facility:

Select Type of Interconnection Service for the Surplus Interconnection Customer's Generating Facility:

☐ CNR Interconnection Service

☐ NR Interconnection Service

Specify the amount of Unused Capability at the corresponding CNR Interconnection Service or NR Interconnection Service available for the Surplus Interconnection Customer's Generating Facility:

Requested Commercial Operations Date for the Surplus Interconnection Customer's Generating Facility:

Requested Initial Synchronization Date for the Surplus Interconnection Customer's Generating Facility:

Requested In-Service Date for the Surplus Interconnection Customer's Generating Facility:

To request Surplus Interconnection Service, the Surplus Interconnection Customer shall provide the following, together with this Surplus Interconnection Service Request Application:

- 11 The Original Interconnection Customer's written consent for the Surplus Interconnection Customer's Generating Facility to use Unused Capability associated with Interconnection Service established under the Interconnection Agreement for the Original Interconnection Customer's Generating Facility, together with a copy of that Interconnection Agreement;
- 12 A detailed description of the Original Interconnection Customer's Generating Facility and the Surplus Interconnection Customer's Generating Facility and their respective Interconnection Facilities and existing Point of Interconnection and Point of Change of Ownership, together with a completed Attachment A and Attachment A-1, as applicable, to Appendix 1 of this LGIP, including a site electrical one-line diagram reflecting both the Original Interconnection Customer's Generating Facility and the proposed Surplus Interconnection Customer's Generating Facility and a plot plan; and
- 13 Site Control for the Surplus Interconnection Customer's Generating Facility.

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Original Interconnection Customer or the Surplus Interconnection Customer as may reasonably become necessary to facilitate their review of the Surplus Interconnection Service request.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

APPENDIX 2
INTERCONNECTION FEASIBILITY STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

~~WHEREAS~~, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

~~WHEREAS~~, Interconnection Customer desires to interconnect the Large Generating Facility to the Administered Transmission System; and

~~WHEREAS~~, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Administered Transmission System, and any Affected Systems.

~~NOW, THEREFORE~~, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 — When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission approved Large Generator Interconnection Procedures (“LGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).

~~2.0 — Interconnection Customer elects and System Operator shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of the LGIP in accordance with the Tariff.~~

~~3.0 — The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.~~

~~4.0 — The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in Attachment A (and Attachment A-1, if applicable) or Attachment B to the Interconnection Request, as may be modified as the result of the Scoping Meeting. System Operator and Interconnecting Transmission Owner reserve the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.4.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.4.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.~~

~~5.0 — The Interconnection Feasibility Study report shall provide the following information depending on whether the Feasibility Study consisted of (a) a limited power flow, including thermal analysis and voltage analysis, and short circuit analysis, or (b) limited thermal analysis, voltage analysis, short circuit analysis, stability analysis, or electromagnetic transient analysis, as appropriate, focusing on the issues that are expected to be the most significant for the proposed Large Generating Facility's interconnection given recent study experience and as discussed at the Scoping Meeting:~~

~~—— If the study consisted of a limited power flow, including thermal analysis, voltage analysis, and short circuit analysis, preliminary identification of: (1) any circuit breaker or other facility short circuit capability limits exceeded as a result of the interconnection; (2) any thermal overload of any transmission facility or system voltage limit violations resulting from the interconnection; (3) Interconnection Facilities and Network Upgrades necessary to interconnect the Large Generating~~

Facility, together with a non-binding good faith order of magnitude estimated cost of (unless the Interconnection Customer waives such cost estimate) and the time to construct such facilities as identified within the scope of the analysis performed; or

—— If the study consisted of limited thermal analysis, voltage analysis, short circuit analysis, stability analysis, or electromagnetic transient analysis, as appropriate, focusing on the issues that are expected to be the most significant for the proposed Large Generating Facility's interconnection given recent study experience and as discussed at the Scoping Meeting: (1) the study findings; and (2) preliminary description of and a non-binding good faith order of magnitude estimated cost of (unless Interconnection Customer waives such cost) and the time to construct the Interconnection Facilities and Network Upgrades necessary to interconnect the Large Generating Facility as identified within the scope of the analysis performed as part of the study.

In accordance with the LGIP, in performing the Interconnection Feasibility Study, System Operator and Interconnecting Transmission Owner shall coordinate with each other and Affected Parties, and shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 — The Interconnection Customer is providing a deposit equal to 100 percent of the estimated cost of the study. The deposit shall be applied toward the cost of the Interconnection Feasibility Study and the development of this Interconnection Feasibility Study Agreement and its attachment(s). Interconnecting Transmission Owner's and System Operator's good faith estimate for the time of completion of the Interconnection Feasibility Study Agreement is [insert date].

The total estimated cost of the performance of the Interconnection Feasibility Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____. Any difference between the deposit and the actual cost of the Interconnection Feasibility Study shall be paid by or refunded to the Interconnection Customer, as appropriate.

~~Upon receipt of the Interconnection Feasibility Study System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.~~

~~Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.~~

~~7.0 — Miscellaneous.~~

~~7.1 — Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.~~

~~7.2 — Disclaimer of Warranty. In preparing and/or participating in the Interconnection Feasibility Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Feasibility Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Feasibility Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Feasibility Study, the content of the Interconnection Feasibility Study, or the conclusions of the Interconnection Feasibility Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.~~

~~7.3—Force Majeure, Liability and Indemnification.~~

~~7.3.1—Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.~~

~~7.3.2—Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or an Interconnecting Transmission~~

~~Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or an Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.~~

~~7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owner and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owner shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.~~

~~7.4 — Third Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Feasibility Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.~~

~~7.5 — Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Feasibility Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.~~

~~7.6 — Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.~~

~~7.7 — Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.~~

~~7.8 — Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.~~

~~7.9 — Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.~~

~~7.10 — Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.~~

~~7.11 — Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.~~

~~7.12 — No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.~~

~~7.13 — Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.~~

~~7.14 — Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.~~

~~IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.~~

System Operator _____ Interconnecting Transmission Owner

By: _____ By:

Title: _____ Title:

Date: _____ Date:

~~{Insert name of Interconnection Customer}~~

By:

Title:

Date:

Attachment A to
Appendix 2
Interconnection Feasibility
Study Agreement

**~~ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY~~**

~~The Interconnection Feasibility Study will be based upon the information set forth in the
Interconnection Request and agreed upon in the Scoping Meeting held on _____:~~

~~Designation of Point of Interconnection and configuration to be studied.~~

~~Designation of alternative Point(s) of Interconnection and configuration.~~

~~[Above assumptions to be completed by Interconnection Customer and other assumptions to be
provided by Interconnection Customer, System Operator, and Interconnecting Transmission Owner]~~

APPENDIX 23

~~INTERCONNECTION SYSTEM IMPACT CLUSTER~~ STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility to the Administered Transmission System;

~~**WHEREAS**, System Operator and Interconnecting Transmission Owner have completed an Interconnection Feasibility Study (the “Feasibility Study”) and provided the results of said study to the Interconnection Customer (This recital is to be omitted if Interconnection Customer has elected to forego the Interconnection Feasibility Study); and~~

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform a ~~Cluster n Interconnection System Impact~~ Study to assess the impact of interconnecting the Large Generating Facility to the Administered Transmission System, and any Internal Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection Procedure (“LGIP”).
- 2.0 Interconnection Customer elects and System Operator and Interconnecting Transmission Owner shall cause to be performed a Cluster n Interconnection System Impact Study consistent with Section 7.0 of the LGIP in accordance with the Tariff.
- 3.0 The scope of the Cluster Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Cluster Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study unless Interconnection Customer did not pursue the Interconnection Feasibility Study, and the technical information provided by Interconnection Customer in Attachment A (and Attachment A-1 as applicable) to the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. System Operator and Interconnecting Transmission Owner reserve the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Interconnection System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.
- 5.0 The Interconnection System Impact-Cluster Study ~~n~~Report shall provide the following information:
- identification of any circuit breaker or other facility short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload of any transmission facility or system voltage limit violations resulting from the interconnection;
 - initial review of grounding requirements and electric system protection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- identification of Contingent Facilities; and
- description and non-binding, good faith estimated cost of and the time to construct the facilities required to interconnect the Large Generating Facility to the Administered Transmission System and to address the identified short circuit, instability, and power flow issues; and
- ~~to the extent the Interconnection Customer requested a preliminary analysis as described in this Section 7.4 of the LGIP, the report will also provide a list of potential upgrades that may be necessary for the Interconnection Customer's Generating Facility to qualify for participation in a Forward Capacity Auction under Section III.13 of the Tariff.~~

~~6.0 The Interconnection Customer is providing a deposit equal to:~~

~~i. the greater of 100 percent of the estimated cost of the Interconnection System Impact Study or \$250,000;~~

~~or~~

~~ii. the lower of 100 percent of the estimated cost of the Interconnection System Impact Study or \$50,000, if the Interconnection Customer is providing herewith either:~~

~~(a) evidence of applications for all Major Permits, as defined in Section III.13.1.1.2.2.2(a) of the Tariff, required in support of the Interconnection Request, or provide certification that Major Permits are not required or~~

~~(b) evidence acceptable to the System Operator of At Risk Expenditures (excluding study costs) totaling at least the amounts of money described in (i) above.~~

~~or~~

~~iii. the lower of 100 percent of the estimated costs of the study or \$50,000 if the Interconnection Request is for a modification to an existing Large Generating Facility that does not increase the energy capability or capacity capability of the Large Generating Facility.~~

The Cluster Study Deposit ~~deposit~~ shall be applied toward the cost of the Interconnection System Impact Cluster Study and the development of this Interconnection System Impact Cluster Study Agreement and its attachment(s) and the LGIA. Interconnecting Transmission Owner's and System Operator's good faith estimate for the times of commencement and completion of the Interconnection System Impact Cluster Study is [insert dates].

The total estimated cost of the performance of the Interconnection System Impact Cluster Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____.

Any difference between the deposit and the actual cost of the Interconnection System Impact Cluster Study shall be paid by or refunded to the Interconnection Customer, as appropriate.

Upon receipt of the Interconnection System Impact Cluster Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection System Impact Study each month.

Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the LGIP, in performing the Cluster Interconnection System Impact Study, System Operator and Interconnecting Transmission Owner shall coordinate with Internal Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

76.0 Miscellaneous.

76.1 Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

76.2 Disclaimer of Warranty. In preparing and/or participating in the [Cluster Study Interconnection System Impact Study](#), as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the [Cluster Study Interconnection System Impact Study](#) (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the [Cluster Study Interconnection System Impact Study](#)), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the [Cluster Study Interconnection System Impact Study](#), the content of the [Cluster Study Interconnection System Impact Study](#), or the conclusions of the [Cluster Study Interconnection System Impact Study](#). Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

76.3 Force Majeure, Liability and Indemnification.

76.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting

any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

76.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, an Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the

foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

[76.3.3](#) Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

[76.4](#) Third-Party Beneficiaries. Without limitation of Sections [76.2](#) and [76.3](#) of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an ~~Cluster Study~~ ~~Interconnection System Impact Study~~ shall be deemed third party beneficiaries of Sections [76.2](#) and [76.3](#).

76.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the [Cluster Study Interconnection System Impact Study](#) is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

76.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

76.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

76.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

76.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

76.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

76.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

76.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

76.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

76.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

Interconnecting Transmission Owner

By:

By:

Title:

Title:

Date:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A

To Appendix ~~23~~

~~Interconnection System Impact~~Cluster

Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
~~INTERCONNECTION SYSTEM IMPACT CLUSTER~~ STUDY**

The ~~Cluster Interconnection System Impact~~ Study will be based upon the *technical information provided by Interconnection Customer in the Interconnection Request*~~results of the Interconnection Feasibility Study unless Interconnection Customer did not pursue the Interconnection Feasibility Study,~~ subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

~~Designation of alternative Point(s) of Interconnection and configuration. [Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer, System Operator, and Interconnecting Transmission Owner]~~

APPENDIX 43

INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated-; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator and Interconnecting Transmission Owner have completed an [Interconnection System Impact Cluster](#) Study (~~the “System Impact Study”~~) and provided the results of said study to the Interconnection Customer; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the [Interconnection System Impact Cluster](#) Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection Procedures (“LGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).
- 2.0 Interconnection Customer elects and System Operator shall cause an Interconnection Facilities Study consistent with Section 8.0 of the LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Administered Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the [Cluster Study](#)~~Interconnection System Impact Study~~.
- 5.0 The Interconnection Customer is providing a [a-Commercial Readiness Deposit per Section 8.1 of this LGIP to enter the Interconnection Facilities Study and deposit equal to:](#)
- ~~i. the greater of 25 percent of the estimated cost of the Interconnection Facilities Study or \$250,000;~~
- ~~or~~
- ~~ii. the greater of 100 percent of the estimated monthly cost of the Interconnection Facilities Study Agreement or \$100,000, if the Interconnection Customer can provide either:~~
- ~~(a) evidence of application for all Major Permits, as defined in Section III.13.1.1.2.2(a) of the Tariff, required in support of the Interconnection Request, or provide certification that Major Permits are not required or~~

~~(b) — evidence acceptable to the System Operator of At Risk Expenditures (excluding Interconnection Study costs) totaling at least the amount of the money in (i) above, not including the At Risk Expenditures demonstrated with the Interconnection System Impact Study Agreement, if applicable.~~

~~or~~

~~iii. — the greater of 100 percent of one month's estimated study cost or \$100,000, if the Interconnection Request is for a modification to an existing Large Generating Facility that does not increase the energy capability or capacity capability of the Large Generating Facility.~~

The deposit shall be applied toward the cost of the Interconnection Facilities Study and the development of this Interconnection Facilities Study Agreement and its attachment(s) and the LGIA. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

The total estimated cost of the performance of the Interconnection Facilities Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____.

Any difference between the deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to the Interconnection Customer, as appropriate.

Upon receipt of the Interconnection Facilities Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the LGIP, in performing the Interconnection Facilities Study, Interconnecting Transmission Owner and System Operator shall coordinate with Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any

obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or

profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

6.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

- 6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

- 6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Interconnecting Transmission Owner

By:

Title:

Date:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A

To Appendix [43](#)

Interconnection Facilities

Study Agreement

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE
INTERCONNECTION FACILITIES STUDY**

Interconnection Customer elects (check one):

- b. +/- 20 percent cost estimate contained in the Interconnection Facilities Study report.
- c. +/- 10 percent cost estimate contained in the Interconnection Facilities Study report.

Interconnecting Transmission Owner and System Operator shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study [R](#)eport to the Interconnection Customer within the following number of days after [of](#) receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing New England Transmission System station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on Current Transformer/Power Transformer (“CT/PT”))

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on one line).

What type of control system or Power Line Carrier (“PLC”) will be located at the Interconnection Customer’s Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Interconnecting Transmission Owner's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with System Operator and Interconnecting Transmission Owner.

Is the Large Generating Facility in Interconnecting Transmission Owner's service area?

Yes _____ No _____ Local provider:

Please provide proposed schedule dates:

Begin Construction Date:

Generator step-up transformer Date:

Receives back feed power Date

Generation Testing Date:

Commercial Operation Date:

APPENDIX 45

OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection to the Administered Transmission System; and

WHEREAS, Interconnection Customer has submitted to System Operator an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the [Cluster Study Interconnection System Impact Study](#) results, Interconnection Customer has further requested that the System Operator and Interconnecting Transmission Owner prepare an Optional Interconnection Study.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection

Procedures (“LGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).

- 2.0 Interconnection Customer elects and System Operator shall cause an Optional Interconnection Study consistent with Section 10.0 of the LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Interconnecting Transmission Owner’s Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.

In accordance with the LGIP, in performing the Optional Interconnection Study, the System Operator shall coordinate with Interconnecting Transmission Owner and Affected [Parties and Internal Affected](#) Parties, and shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

- 6.0 The Interconnection Customer is providing a deposit equal to 100 percent of the estimated cost of the study. Interconnecting Transmission Owner’s and System Operator’s good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

The total estimated cost of the performance of the Optional Interconnection Study consists of \$_____ which is comprised of the System Operator’s estimated cost of \$_____ and the Interconnecting Transmission Owner’s estimated cost of \$_____.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Optional Interconnection Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Optional Interconnection Study. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Optional Interconnection Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Optional Interconnection Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Optional Interconnection Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Optional Interconnection Study, the content of the Optional Interconnection Study, or the conclusions of the Optional Interconnection Study. Interconnection Customer acknowledges that it has not relied on any

representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the

Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owners under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable

operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Optional Interconnection Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Optional Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located, without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

|

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A

Appendix [45](#)

Optional Interconnection

Study Agreement

**ASSUMPTIONS USED IN CONDUCTING
THE OPTIONAL INTERCONNECTION STUDY**

[To be completed by Interconnection Customer consistent with Section 10 of the LGIP.]

APPENDIX 65 to LGIP
TRANSITIONAL CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”), and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). System Operator, Interconnection Customer and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested Interconnecting Transmission Owner and System Operator to perform a “Transitional Cluster Study,” which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of the {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Interconnection Customer elects, and System Operator shall cause to be performed, a Transitional Cluster Study, and Interconnection Customer elects that System Operator study the Large Generating Facility's request for.

Network Resource Interconnection Service (energy capability only)

Capacity Network Resource Interconnection Service (energy capability and capacity capability)

- ☐ Interconnection Customers seeking to complete studies for CNRIS for Interconnection Requests for which NRIS milestones have already been completed shall check this box and fill in the table below

<u>Service Level</u>	<u>Requested Net MW Capability at the Point of Interconnection</u>
<u>CNR Capability Summer</u>	
<u>CNR Capability Winter</u>	

- ☐ Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing.

3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. System Operator reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this LGIP, the interim Transitional Cluster Study Report shall provide the information below:

- ii) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- iii) identification of any thermal overload or voltage limit violations resulting from the interconnection;
- iv) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- v) Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

5.0 Pursuant to Section 5.1.1.2 of this LGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.

6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this LGIP.

7.0 Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Interconnection Customer shall provide additional study deposits in the form described in Section 5.1.1.2. System Operator may invoice for additional costs as appropriate such that Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this LGIP.

8.0 Miscellaneous.

8.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

8.2 Disclaimer of Warranty. In preparing and/or participating in the Transitional Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Transitional Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Transitional Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Transitional Cluster Study , the content of the Transitional Cluster Study , or the conclusions of the Transitional Cluster Study . Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

8.3 Force Majeure, Liability and Indemnification.

8.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the

System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

8.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

8.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

8.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Transitional Cluster Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

8.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Transitional Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the

Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

8.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

8.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

8.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

8.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

8.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

8.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

8.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

8.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____

Title: _____

Date: _____

{Insert name of Interconnecting Transmission Owner }

By: _____

Title: _____

Date: _____

{Insert name of Interconnection Customer}

By: _____

Title: _____

Date: _____

APPENDIX 86 to LGIP

TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Large Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final Cluster Study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator has provided an Interconnection Facilities Study Agreement to the Interconnection Customer on or before {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- 2.0 Interconnection Customer elects and Interconnecting Transmission Owner shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this LGIP.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by the Interconnection Customer.
- 4.0 The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Administered Transmission System; and (2) address the short circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.
- 5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this LGIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than one hundred and fifty (150) Calendar Days after {System Operator to insert Commission-approved effective date of compliance filing}.
- 6.0 Interconnection Customer previously provided a deposit of _____ dollars (\$____) for the performance of the Interconnection Facilities Study.
- 7.0 Upon receipt of the Interconnection Facilities Study results, Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.
- 8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

9.0 Miscellaneous.

9.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

9.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

9.3 Force Majeure, Liability and Indemnification.

9.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to

make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

9.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

9.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

9.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

9.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to

the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

9.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

9.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

9.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

9.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

9.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

9.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

9.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

9.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Interconnecting Transmission Owner }

By: _____

Title: _____

Date: _____

ISO New England Inc.

By: _____

Title: _____

Date: _____

{Insert name of Interconnection Customer}

By: _____

Title: _____

Date: _____

Attachment A to Appendix 86
Transitional Serial Interconnection Facilities Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL
INTERCONNECTION FACILITIES STUDY

{Assumptions to be completed by Interconnection Customer and Interconnecting Transmission Owner}

APPENDIX 97 to LGIP
TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customer and System Operator each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0** When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- 2.0** System Operator shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this LGIP.
- 3.0** The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, System Operator shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection

Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is

hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to

the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

Attachment A to Appendix 97
Two-Party Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customer and System Operator}

APPENDIX 108 to LGIP
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 _____ When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 System Operator shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this LGIP.

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers shall each provide a deposit of for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, System

Operator shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 Miscellaneous

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any

obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the

performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement

shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. _____

Attachment A to Appendix 108
Multiparty Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customers and System Operator}

APPENDIX 49 TO LGIP

TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

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When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2
TERM OF AGREEMENT

-
2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

-
2.2 Term.

-
2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the Parties agree to mutually terminate this Agreement; (2) earlier termination is permitted or provided for under Appendix A of this Agreement; or (2) Affected System Interconnection Customer terminates this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by System Operator and Interconnecting Transmission Owner.

-
2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if Affected System

Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Interconnecting Transmission Owner for any such damages, including costs and expenses, incurred by Interconnecting Transmission Owner as a result of such Default.

-

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Interconnecting Transmission Owner, Affected System Interconnection Customer shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs.

-

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

-

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of

Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

-

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

-

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

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ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

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3.1 Construction.

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3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

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3.1.2 Suspension of Work.

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3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Interconnecting Transmission Owner written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

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Interest on amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System

Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

-

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Interconnecting Transmission Owner of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

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3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify Affected System Interconnection Customer. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or

delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

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3.2 Interconnection Costs.

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3.2.1 Costs. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be funded by Affected System Interconnection Customer.

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3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

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3.3 Taxes.

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3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System

Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

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The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest.

In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or which Interconnecting Transmission Owner may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

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To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

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3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Affected System Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

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4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

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4.2 Invoice. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

-

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

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4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

-

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

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5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the “Cure Period”) which shall be sixty (60) Calendar Days.

-

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

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5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

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ARTICLE 6

TERMINATION OF AGREEMENT

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6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties’ obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

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6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

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6.3 Disposition of Facilities Upon Termination of Agreement.

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6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

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- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
-
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
-
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).
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6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, Interconnecting Transmission

Owner shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

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6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

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ARTICLE 7

SUBCONTRACTORS

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7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

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7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

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7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8

CONFIDENTIALITY

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8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

-

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

-

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

-

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

-

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party.

who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

-

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

-

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

-

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

-

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential

Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

-

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

-

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

-

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated

as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

-

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

-

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

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9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties

shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

-

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

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ARTICLE 10

NOTICES

-

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

-

To Interconnecting Transmission Owner:

-

To Affected System Interconnection Customer:

-

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

-

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

-

To Interconnecting Transmission Owner:

-

-

-

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

-

ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party

represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the

extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[\[Signature Page to Follow\]](#)

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

-

-

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

-

-

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

-

Project No. _____

Two-Party Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE

-

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner.

-

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

-

1.2 First Equipment Order (including permitting).

{description}

-

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

-

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

-

Table 1: Interconnecting Transmission Owner Construction Activities

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>START DATE</u>	<u>END DATE</u>
-	-	-	-

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

-

-

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

-

1.4 Payment Schedule.

-

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer’s Payments and Security.

-

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer’s payment schedule is as follows.

{description}

-

Table 2: Affected System Interconnection Customer’s Payment/Security Obligations for Affected System Network Upgrade(s).

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
	-	-
-	-	-

-	-	-
-	-	-
-	-	-
-	-	-

-

-

Note: Affected System Interconnection Customer’s payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 449
Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

-
This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customer in substantially the form following:

-
{Date}

-
{Affected System Interconnection Customer Address}

-
Re: Completion of Affected System Network Upgrade(s)

-
Dear {Name or Title}:

-
This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Interconnecting Transmission Owner} and {Affected System Interconnection Customer}, dated _____, 20__.

-
On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

-
Thank you.

-
{Signature}
{Interconnecting Transmission Owner Representative}

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement among Affected System Interconnection Customer and Interconnecting Transmission Owner.

-

Exhibit A1

Interconnecting Transmission Owner Site Map

-

Exhibit A2

Site Plan

-

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

-

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

-

-

		<u>Facilities to Be Constructed by Interconnecting Transmission Owner</u>	<u>Estimate in Dollars</u>
-	<u>Location</u>		
-	-	-	-
-	-	<u>Total:</u>	-

APPENDIX 1210 TO LGIP
MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner Interconnecting Transmission Owner). Affected System Interconnection Customers and Interconnecting Transmission Owner Interconnecting Transmission Owner each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host Interconnecting Transmission Owner}, dated _____, for which {name of host Interconnecting Transmission Owner} found impacts on New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host Interconnecting Transmission Owner}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

-
When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2
TERM OF AGREEMENT

-
2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

-
2.2 Term.

-
2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Interconnecting Transmission Owner of the amount funded by Affected System Interconnection Customers for Interconnecting Transmission Owner's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host Interconnecting Transmission

Owner} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Interconnecting Transmission Owner.

-

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Interconnecting Transmission Owner within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Interconnecting Transmission Owner for any such damages, including costs and expenses incurred by Interconnecting Transmission Owner as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Interconnecting Transmission Owner shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Interconnecting Transmission Owner to be fully reimbursed for all of its costs incurred under this Agreement.

-

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Interconnecting Transmission Owner, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary,

based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

-

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customers shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

-

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

-

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

-

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all

costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

-

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

-

3.1 Construction.

-

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

-

3.1.2 Suspension of Work.

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3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Interconnecting Transmission Owner written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be

constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

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Interest on amounts paid by Affected System Interconnection Customers to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

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3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected

System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

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3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify all other Parties. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

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3.2 Interconnection Costs.

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3.2.1 Costs. Affected System Interconnection Customers shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively

responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

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3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

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3.2.2 Repayment.

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3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of the Interconnecting Transmission Owner's pro forma LGIA, each Affected System Interconnection Customer shall be entitled to a cash repayment by Interconnecting Transmission Owner of the amount each Affected System Interconnection Customer paid to Interconnecting Transmission Owner, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

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3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System

Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

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3.3 Taxes.

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3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

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The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from

all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or to which Interconnecting Transmission Owner may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

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To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner

is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

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3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which such Affected System Interconnection Customer(s) may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is

withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

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4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

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4.2 Invoice. Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a

Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

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4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

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4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

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4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

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4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

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ARTICLE 5
BREACH, CURE, AND DEFAULT

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5.1 Events of Breach. A Breach of this Agreement shall include the:

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(a) Failure to pay any amount when due;

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(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

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(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

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(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

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5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

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5.2.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Interconnecting Transmission Owner.

Interconnecting Transmission Owner may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Interconnecting Transmission Owner must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

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5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

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ARTICLE 6

TERMINATION OF AGREEMENT

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6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

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6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

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6.3 Disposition of Facilities Upon Termination of Agreement.

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6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

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(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

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(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

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(c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

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6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, each Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for its share of any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

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6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, Interconnecting Transmission Owner shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

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6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

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ARTICLE 7

SUBCONTRACTORS

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7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

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7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

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7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8
CONFIDENTIALITY

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8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

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Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

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Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

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8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental

Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

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8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

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8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

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8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

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8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally

compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

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8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

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8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

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8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has

been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

-

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

-

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

-

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

-

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected

System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

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ARTICLE 10

NOTICES

-

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

-

To Interconnecting Transmission Owner:

—

To Affected System Interconnection Customers:

-

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

-

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

-

To Interconnecting Transmission Owner:

-
-
-

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

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ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Affected System Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders,

officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this

Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

-

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

-

-

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

-

-

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

-

Project No. _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

-

Project No. _____

Attachment A to Appendix 10
Multiparty Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE

-

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

-

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

-

{description}

1.2 First Equipment Order (including permitting).

{description}

-

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

-

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

-

Table 3: Interconnecting Transmission Owner Construction Activities

<u>MILESTONE</u> <u>NUMBER</u>	<u>DESCRIPTION</u>	<u>START</u> <u>DATE</u>	<u>END</u> <u>DATE</u>
-	-	-	-
-	-	-	-

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

-

-

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

-

1.4 Payment Schedule.

-

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

-

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

-

-

* Affected System Interconnection Customers’ proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ____ . %

Affected System Interconnection Customer 2 ____ . %

Affected System Interconnection Customer N ____ . %

Note: Affected System Interconnection Customers’ payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 4210
Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

-
This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customers in substantially the form following:

-
{Date}

-
{Affected System Interconnection Customers Addresses}

-
Re: Completion of Affected System Network Upgrade(s)

-
Dear {Name or Title}:

-
This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among { Interconnecting Transmission Owner } and {Affected System Interconnection Customers}, dated _____, 20__.

-
On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

-
Thank you.

-
{Signature}
{ Interconnecting Transmission Owner Representative}

Attachment C to Appendix 1210
Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

-

Exhibit A1
Transmission Provider Site Map

-

Exhibit A2
Site Plan

-

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

-

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

-

-

		<u>Facilities to Be Constructed by Transmission Provider</u>	<u>Estimate in Dollars</u>
-	<u>Location</u>		
-	-	-	-
-	-	<u>Total:</u>	-

APPENDIX [611](#)
LARGE GENERATOR INTERCONNECTION
AGREEMENT

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THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), ISO New England Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnecting Transmission Owner"). Under this Agreement, the Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, System Operator is the central dispatching agency provided for under the Transmission Operating Agreement ("TOA") which has responsibility for the operation of the New England Control Area from the System Operator control center and the administration of the Tariff; and

WHEREAS, Interconnecting Transmission Owner is the owner or possessor of an interest in the Administered Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and

WHEREAS, System Operator, Interconnection Customer and Interconnecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1. DEFINITIONS

The definitions contained in this Article 1 and those definitions embedded in an Article of this Agreement are intended to apply in the context of the generator interconnection process provided for in Schedule 22 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under Schedule 22. Capitalized terms in Schedule 22 that are not defined in this Article 1 shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnections~~shall mean any electric system that is within the Control Area, including, but not limited to, generator owned transmission facilities, or any other electric system that is not within the Control Area that may be affected by the proposed interconnection.~~

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9H to this LGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 79 to this LGIP that is made between System Operator and Affected System Interconnection Customer to conduct an External Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this LGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties [or Internal Affected Party](#).

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3 of the Large Generator Interconnection Procedures (“LGIP”).

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party [or Internal Affected Party](#) as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including

protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispach of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Large Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is

identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section 2 of the Tariff to accommodate the Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered. The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

~~**Cluster CETU Participation Deposit** shall mean a Commercial Readiness Deposit as described in Section 4.2~~mean the initial and additional deposit due under Sections 4.2.3.2.2 and 4.2.4.4.

~~**Cluster Entry Deadline** shall mean the deadline specified in Section 4.2.3.1.~~

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby ~~one or more a group of~~ Interconnection Requests ~~are~~ studied together ~~instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this LGIP for the purpose of conducting the Interconnection System Impact Study and Interconnection Facilities Study and for the purpose of determining cost responsibility for upgrades identified through the Clustering provisions.~~

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

[Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.](#)

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party [or Internal Affected Party](#) to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.*

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Large Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under [this LGIP](#)~~the Standard Large Generator Interconnection Procedures~~.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities [may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission](#)~~are sole use facilities~~.

Interconnection Facilities shall mean the Interconnecting Transmission Owner's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for the Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the [Cluster Study, Cluster Restudy or Cluster](#) Interconnection

System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of [this LGIP](#)~~the Standard Large Generator Interconnection Procedures~~.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix [34](#) of the [LGIP](#)~~Standard Large Generator Interconnection Procedures~~ for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of [an Interconnection Facilities Study pursuant to Section 8 of the LGIP](#).

~~**Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Administered Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.~~

~~**Interconnection Feasibility Study Agreement** shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.~~

Interconnection Request (a) shall mean an Interconnection Customer's request, in the form of Appendix 1 to the [LGIP](#)~~Standard Large Generator Interconnection Procedures~~, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generating Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by System Operator and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the [LGIA Standard Large Generator Interconnection Agreement](#) and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: [Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment and the Optional Interconnection Study described in the LGIP](#)~~the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study and the Optional Interconnection Study described in the Standard Large Generator Interconnection Procedures. Interconnection Study shall not include a CNR Group Study.~~

Interconnection Study Agreement shall mean any of the following agreements: [Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to the LGIP](#)~~the Interconnection Feasibility Study Agreement, the Interconnection System Impact Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to the Standard Large Generator Interconnection Procedures.~~

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Administered Transmission System and any other Affected System, the scope of which is described in Section 7 of the Standard Large Generator Interconnection Procedures. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

~~**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.~~

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this LGIP.

~~**Long Lead Time Facility (“Long Lead Facility”)** shall mean a Generating Facility or an Elective Transmission Upgrade with an Interconnection Request for Capacity Network Resource Interconnection Service or Capacity Network Import Interconnection Service, respectively, that has, as applicable, elected or requested long lead time treatment and met the eligibility criteria and requirements specified in Schedule 22 or Schedule 25 of Section II of the Tariff.~~

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party’s performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf

of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2(a) of the Tariff.

Material Modification shall mean (i) except as expressly provided in Section 4.4.1, 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 a ~~n equal or later queue-Queue Position~~ priority date; (ii) a change to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond the Interconnection Customer's control; ~~or (iv) except as provided in Section 3.2.3.4 of the LGIP, a withdrawal of a request for Long Lead Facility treatment; or (v) except as provided in Section 3.2.3.6 of the LGIP, an election to participate in an earlier Forward Capacity Auction than originally anticipated.~~

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 4210 to this LGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 840 to this LGIP that is made among Interconnection Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Capability Interconnection Standard (“NC Interconnection Standard”) shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource (“NR”) shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability (“NR Capability”) shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service (“NR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer’s NR Interconnection Service shall be solely for the megawatt amount of the NR Capability requested pursuant to Section 3.1 of the LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix ~~45~~ of the ~~LGIP Standard Large Generator Interconnection Procedures~~ for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission-service and notification of requests for interconnection to other electric systems, as notified by the other electric systems, that impact the Administered Transmission System. References to a “higher queued” Interconnection Request shall mean one that has been received by the System Operator (and placed in queue order) earlier than another Interconnection Request, which is referred to as “lower queued.”

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of ~~the~~ System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information ~~to analyze such information, and to determine the potential feasible Points of Interconnection.~~

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of

sufficient size to construct and operate may be demonstrated by documentation

establishing documentation reasonably demonstrating: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. The System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If ~~the~~ System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, ~~the~~ System Operator must provide the Interconnection Customer a written technical explanation outlining why the System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement (“LGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in this Schedule 22 to the Tariff.

Standard Large Generator Interconnection Procedures (“LGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in this Schedule 22 to the Tariff.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an

Interconnection Agreement for an ~~existing~~ Generating Facility ~~that has achieved Commercial Operation~~, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

Study Case shall have the meaning specified in Sections ~~6.2 and~~ 7.3 of this LGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions and associated equipment that are required at the substation located at the Point of Interconnection.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a ~~an existing, commercial~~ Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the ~~existing, commercial~~ Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by the Commission (if applicable), or if filed unexecuted, upon the date specified by the Commission. System Operator and Interconnecting Transmission Owner shall promptly and jointly file this LGIA with the Commission upon execution in accordance with Section 11.3 of the LGIP and Article 3.1, if required.

2.2 Term of Agreement. This LGIA, subject to the provisions of Article 2.3, and by mutual agreement of the Parties, shall remain in effect for a period of _____ years from the Effective Date (*term to be specified in individual Agreement, but in no case should the term be less than ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request*) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by the Interconnection Customer, subject to continuing obligations of this LGIA and the Tariff, after giving the System Operator and Interconnecting Transmission Owner ninety (90) Calendar Days advance written notice, or by System Operator or Interconnecting Transmission Owner notifying the Commission after a Generating Facility retires pursuant to the Tariff, provided that if an Interconnection Customer exercises its right to terminate on ninety (90) Calendar Days, any reconnection would be treated as a new interconnection request; or this LGIA may be terminated by Interconnecting Transmission Owner or System Operator by notifying the Commission after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Each Party may terminate this LGIA in accordance with Article 17. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing, if applicable, with the Commission of a notice of termination of this LGIA, which notice has been accepted for filing by the Commission. Termination of the LGIA shall not supersede or alter any requirements for deactivation or retirement of a generating unit under ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

2.4 Termination Costs. If a Party elects to terminate this LGIA pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party(ies), as of the date of such Party's(ies') receipt of such notice of termination, that are the responsibility of such Party(ies) under this LGIA. In the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by the Commission:

2.4.1 With respect to any portion of the Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades to the extent covered by this

LGIA, that have not yet been constructed or installed, the Interconnecting Transmission Owner shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Interconnecting Transmission Owner shall deliver such material and equipment, and, if necessary, and to the extent possible, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Interconnecting Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer, either (i) in the case of overpayment, Interconnecting Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts, or (ii) in the case of underpayment, Interconnection Customer shall promptly pay such amounts still due plus any costs, including penalties incurred by Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts. If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which the Interconnecting Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

- 2.4.2 Interconnecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection

Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, Interconnection Service shall terminate and, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Interconnecting Transmission Owner's Interconnection Facilities. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from a non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party(ies) pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. The System Operator and Interconnecting Transmission Owner shall jointly file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required, in accordance with Section 11.3 of the LGIP. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the System Operator and Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by the System Operator and/or the Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

ARTICLE 4. SCOPE OF SERVICE

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type(s) of Interconnection Service:

Check: ☐ NR for NR Interconnection Service (NR Capability Only)

☐ CNR for CNR Interconnection Service (CNR Capability and NR Capability)

4.1.1 Capacity Network Resource Interconnection Service (CNR Interconnection Service).

4.1.1.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and the Interconnecting Transmission Owner and [Internal](#) Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which all other Capacity Network Resources are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows the Interconnection Customer's Large Generating Facility to be designated as a Capacity Network Resource, to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the net CNR Capability, or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as all other existing Capacity Network Resources, and to be studied as a Capacity Network Resource on the assumption that such a designation will occur.

4.1.2 Network Resource Interconnection Service (NR Interconnection Service).

4.1.2.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and [Internal](#) Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which all other Network Resources are interconnected under the NC Interconnection Standard.

NR Interconnection Service allows the Interconnection Customer's Large Generating Facility to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the gross and net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff. Notwithstanding the above, the portion of a Large Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, unless pursuant to a new Interconnection Request for CNR Interconnection Service.

- 4.2 Provision of Service.** System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such requirements and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is the Interconnecting Transmission Owner, then that Party shall amend the LGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.
- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service, or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Transmission Delivery Service Implications.** CNR Interconnection Service and NR Interconnection Service allow the Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on the New England Transmission System as a Capacity Network Resource or Network Resource, up to the net CNR Capability or NR Capability, respectively, on the same basis as all other existing

Capacity Network Resources and Network Resources interconnected to the New England Transmission System, and to be studied as a Capacity Network Resource or a Network Resource on the assumption that such a designation will occur. Although CNR Interconnection Service and NR Interconnection Service do not convey a reservation of transmission service, any Network Customer can utilize its network service under the Tariff to obtain delivery of capability from the Interconnection Customer's Large Generating Facility in the same manner as it accesses Capacity Network Resources and Network Resources. A Large Generating Facility receiving CNR Interconnection Service or NR Interconnection Service may also be used to provide Ancillary Services, in accordance with the Tariff and Market Rule 1, after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Capacity Network Resource or Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Capacity Network Resource or as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all Generating Facilities that are similarly situated.

CNR Interconnection Service and NR Interconnection Service do not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on the New England Transmission System without incurring congestion costs. In the event of transmission constraints on the New England Transmission System, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures for the New England Transmission System in the same manner as other Capacity Network Resources or Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Large Generating Facility be designated as a Capacity Network Resource or as a Network Resource by a Network Service Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating

Facility as either a Capacity Network Resource or a Network Resource, it must do so pursuant to the Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining CNR Interconnection Service or NR Interconnection Service, as long as the Large Generating Facility has not been deemed to be retired, any future transmission service request for delivery from the Large Generating Facility on the New England Transmission System of any amount of capacity capability and/or energy capability will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Capacity Network Resource or Network Resource, and regardless of changes in ownership of the Large Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long-term transmission service for deliveries from the Large Generating Facility outside the New England Transmission System, or if the unit has been deemed to be retired, such request may require additional studies and upgrades in order for Interconnecting Transmission Owner to grant such request.

4.6 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.4. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

**ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING,
PROCUREMENT, AND CONSTRUCTION**

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall specify the In-Service Date, Initial Synchronization Date, and Commercial Operation Date as specified in the Interconnection Request or as subsequently revised pursuant to Section 4.4 of the LGIP; and select either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B (Milestones). At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Interconnecting Transmission Owner, the Interconnection Customer shall notify Interconnecting Transmission Owner within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build. In accordance with Section 8 of the LGIP and unless otherwise mutually agreed, the Alternate Option is not an available option if the Interconnection Customer waived the Interconnection Facilities Study.

5.1.1 Standard Option. The Interconnecting Transmission Owner shall design, procure, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B (Milestones). The Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Interconnecting Transmission Owner reasonably expects that it will not be able to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the specified dates, the Interconnecting Transmission Owner shall promptly provide written notice to the Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities by the designated dates.

If Interconnecting Transmission Owner subsequently fails to complete Interconnecting Transmission Owner's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B (Milestones); Interconnecting Transmission Owner shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable System Operator refuses to grant clearances to install equipment.

5.1.3 Option to Build. [Individual or Multiple](#) Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of new Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2 [if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided \(1\) all Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and \(2\) all impacted Interconnection Customers execute and provide to Interconnecting Transmission Owner an agreement regarding responsibilities and payment for the construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option.](#) The System Operator, Interconnecting Transmission Owner, and [the individual Interconnection Customer or each of the multiple](#) Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify

such Stand Alone Network Upgrades in Appendix A to the LGIA. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Interconnecting Transmission Owner shall assume responsibility for the design, procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades,

(1) The Interconnection Customer shall commit in the LGIA to a schedule for the completion of, and provide the System Operator evidence of proceeding with: (a) engineering and design of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades, (b) procurement of necessary equipment and ordering of long lead time material, and (c) construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(2) The Interconnection Customer shall engineer, procure equipment, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Interconnecting Transmission Owner;

(3) Interconnection Customer's engineering, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Interconnecting Transmission Owner would be subject in the engineering, procurement or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(4) Interconnecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(5) ~~p~~Prior to commencement of construction, Interconnection Customer shall provide to Interconnecting Transmission Owner any changes to the schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades reflected in Appendix B (Milestones), and shall promptly respond to requests for information from Interconnecting Transmission Owner;

(6) ~~a~~At any time during construction, Interconnecting Transmission Owner shall have the right to gain unrestricted access to the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) ~~a~~At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Interconnecting Transmission Owner, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(8) ~~€~~The Interconnection Customer shall indemnify the Interconnecting Transmission Owner for claims arising from the Interconnection Customer's construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 (Indemnity);

(9) The Interconnection Customer shall transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the Interconnecting Transmission Owner prior to the In-Service Date;

(10) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner prior to the In-Service Date;

(11) Interconnecting Transmission Owner shall approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2;

(12) Interconnection Customer shall deliver to Interconnecting Transmission Owner "as built" drawings, information, and any other documents that are reasonably required by Interconnecting Transmission Owner to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Interconnecting Transmission Owner; and

(13) Interconnection Customer shall pay Interconnecting Transmission Owner the agreed upon amount of [\$ PLACEHOLDER] for Interconnecting Transmission Owner to execute responsibilities enumerated to Interconnecting Transmission Owner under this Article 5.2. Interconnecting Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Interconnecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Interconnecting Transmission Owner to the Interconnection Customer in the event that Interconnecting Transmission Owner does not

complete any portion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, in the aggregate, for which Interconnecting Transmission Owner has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which the Interconnecting Transmission Owner has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Interconnecting Transmission Owner to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Interconnecting Transmission Owner's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless the Interconnection Customer would have been able to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Interconnecting Transmission Owner's delay; (2) the Interconnecting Transmission Owner's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with the Interconnecting Transmission Owner or any cause beyond Interconnecting Transmission Owner's reasonable control or reasonable ability to cure, including, but not limited to, actions by the System Operator that cause delays and/or delays in licensing, permitting or consents where the Interconnecting Transmission Owner has pursued such licenses, permits or consents in good faith; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's

Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. If a Power System Stabilizer is required to be installed on the Large Generating Facility for the purpose of maintaining system stability, the Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the System Operator and Interconnecting Transmission Owner, and consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator and Interconnecting Transmission Owner reserve the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the System Operator and Interconnecting Transmission Owner, or their designated representative. The requirements of this paragraph shall not apply to non-synchronous power production equipment.

5.5 Equipment Procurement. If responsibility for construction of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades is to be borne by the Interconnecting Transmission Owner, then the Interconnecting Transmission Owner shall commence design of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The Interconnecting Transmission Owner has completed the [Interconnection](#) Facilities Study pursuant to the [Interconnection](#) Facilities Study Agreement;

5.5.2 The Interconnecting Transmission Owner has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B (Milestones); and

5.5.3 The Interconnection Customer has provided security to the Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.6 Construction Commencement. The Interconnecting Transmission Owner shall commence construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades;

5.6.3 The Interconnecting Transmission Owner has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B (Milestones); and

5.6.4 The Interconnection Customer has provided security to Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.7 Work Progress. The Interconnection Customer and the Interconnecting Transmission Owner shall keep each Party informed, by written quarterly progress reports, as to the progress of their respective design, procurement and construction efforts in order to meet the dates specified in Appendix B (Milestones). Any Party may also, at any other time, request a written progress report from the other Parties. If, at any time, the Interconnection Customer determines that the completion of the Interconnecting Transmission Owner's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer, upon the System Operator's approval that the change in the In-Service Date will not constitute a Material Modification pursuant to Section 4.4 of the LGIP, will provide written notice to the

Interconnecting Transmission Owner of such later date upon which the completion of the Interconnecting Transmission Owner's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the New England Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, System Operator and the Interconnecting Transmission Owner may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies. System Operator and Interconnecting Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection

Customer interconnects without modifications to the Large Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Large Generating Facility are in place prior to the commencement of Interconnection Service from the Large Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Large Generating Facility are not currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Large Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated each time the conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's Queue Position and associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF"). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.10.1 Large Generating Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Interconnecting Transmission Owner at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Interconnecting Transmission Owner shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner and comment on such

specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Interconnecting Transmission Owner's Review. Interconnecting Transmission Owner's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Interconnecting Transmission Owner, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Interconnecting Transmission Owner "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facilities. The Interconnection Customer shall provide Interconnecting Transmission Owner specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Interconnecting Transmission Owner's Interconnection Facilities Construction. The Interconnecting Transmission Owner's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnecting Transmission Owner shall deliver to the

Interconnection Customer the following “as-built” drawings, information and documents for the Interconnecting Transmission Owner’s Interconnection Facilities. The appropriate drawings and relay diagrams shall be included in Appendix A of this LGIA.

The System Operator will obtain operational control of the Interconnecting Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities pursuant to the TOA.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (“Granting Party”) shall furnish at the incremental cost to another Party (“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents if allowed under the applicable agency agreement, that are necessary to enable the Access Party solely to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Administered Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the New England Transmission System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of the Interconnecting Transmission Owner’s Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall at Interconnection Customer’s expense use Reasonable Efforts, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Interconnecting Transmission Owner’s Interconnection Facilities and/or Network Upgrades upon such property. Notwithstanding the foregoing, the Interconnecting Transmission Owner shall not be obligated to exercise eminent domain authority in a manner inconsistent with Applicable Laws

and Regulations or when an Interconnection Customer is authorized under Applicable Laws and Regulations to exercise eminent domain on its own behalf.

5.14 Permits. System Operator, Interconnecting Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Interconnecting Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Interconnecting Transmission Owner's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Interconnecting Transmission Owner to construct, and Interconnecting Transmission Owner shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Administered Transmission System, which are included in the Base Case of the [Interconnection](#) Facilities Study for the Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date. The Interconnection Customer shall reimburse the Interconnecting Transmission Owner for all costs incurred related to early construction to the extent such costs are not recovered from other Interconnection Customers included in the base case.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Interconnecting Transmission Owner and System Operator, to suspend ~~at any time~~ all work by Interconnecting Transmission Owner associated with the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades required under this LGIA [at any time](#) with the condition that the New England Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and the System Operator's and Interconnecting Transmission Owner's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Interconnecting Transmission Owner (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the

New England Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Interconnecting Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Interconnecting Transmission Owner shall obtain Interconnection Customer's authorization to do so. Interconnecting Transmission Owner shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Interconnecting Transmission Owner required under this LGIA pursuant to this Article 5.16, and has not requested Interconnecting Transmission Owner to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Interconnecting Transmission Owner and System Operator, if no effective date is specified. A suspension under this Article 5.16 does not automatically permit an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date. A request for extension of such dates is subject to Section 4.4.5 of the LGIP. Notwithstanding the extensions permitted under Section 4.4.5 of the LGIP, the three-year period shall in no way result in an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date that exceeds seven (7) years from the date of the Interconnection Request; otherwise, this LGIA shall be deemed terminated.

5.17 Taxes.

5.17.1 Payments Not Taxable. The Parties intend that all payments or property transfers made by any Party for the installation of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of

the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the New England Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Interconnecting Transmission Owner for the Interconnecting Transmission Owner's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Interconnecting Transmission Owner's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Interconnecting Transmission Owner's request, Interconnection Customer shall provide Interconnecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Interconnecting Transmission Owner represents and covenants that the cost of the Interconnecting Transmission Owner's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Interconnecting Transmission Owner. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Interconnecting Transmission Owner from the cost consequences of any current tax liability imposed against Interconnecting Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Interconnecting Transmission Owner.

The Interconnecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection

Customer under this LGIA unless (i) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation; provided, however, that Interconnecting Transmission Owner may require Interconnection Customer to provide security, in a form reasonably acceptable to Interconnecting Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period, and the applicable statute of limitation, as it may be extended by the Interconnecting Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Interconnecting Transmission Owner, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Interconnecting Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Interconnecting Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Interconnecting Transmission Owner to receive and

retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). For this purpose, (i) Current Taxes shall be computed based on Interconnecting Transmission Owner composite federal and state tax rates at the time the payments or property transfers are received and Interconnecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the “Current Tax Rate”), and (ii) the Present Value Depreciation Amount shall be computed by discounting Interconnecting Transmission Owner’s anticipated tax depreciation deductions as a result of such payments or property transfers by Interconnecting Transmission Owner current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer’s request and expense, Interconnecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Interconnecting Transmission Owner under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s knowledge. Interconnecting Transmission Owner and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Interconnecting Transmission Owner shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Interconnecting Transmission Owner shall allow Interconnection Customer to attend all meetings with IRS officials about the request and

shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Interconnecting Transmission Owner's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenant contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Interconnecting Transmission Owner retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Interconnecting Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Interconnecting Transmission Owner's receipt of payments or property constitutes income that is subject to taxation, Interconnecting Transmission Owner shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Interconnecting Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Interconnecting Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Interconnecting Transmission Owner shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, documented reasonable costs

of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Interconnecting Transmission Owner may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Interconnecting Transmission Owner, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Interconnecting Transmission Owner for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Interconnecting Transmission Owner which holds that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Interconnecting Transmission Owner in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LGIA is not taxable to Interconnecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Interconnecting Transmission Owner are not subject to federal income tax, or (d) if Interconnecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Interconnecting Transmission Owner pursuant to this LGIA, Interconnecting Transmission Owner shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Interconnecting Transmission Owner for such taxes which Interconnecting Transmission Owner did not submit to the taxing authority, interest calculated in accordance with the methodology set forth in the Commission's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Interconnecting Transmission Owner refunds such payment to Interconnection Customer, and
- (iii) with respect to any such taxes paid by Interconnecting Transmission Owner, any refund or credit Interconnecting Transmission Owner receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Interconnecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Interconnecting Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Interconnecting Transmission Owner will remit such amount promptly to Interconnection Customer only after and to the extent that Interconnecting Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Interconnecting Transmission Owner's Interconnection Facilities.

The intent of this provision is to leave Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Interconnecting Transmission

Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this LGIA. Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner.

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Party's(ies') tax status. Nothing in this LGIA is intended to adversely affect any Interconnecting Transmission Owner's tax-exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Interconnection Customer or Interconnecting Transmission Owner may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, the facilities of any Affected Parties [or Internal Affected Parties](#), or the New England Transmission System, that Party shall provide to the other Parties and any Affected Party [or Internal Affected Parties](#): (i) sufficient information regarding such modification so that the other Party(ies) may evaluate the potential impact of such modification prior to commencement of the work; and (ii) such information as may be required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Such information

shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party(ies) at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Notwithstanding the foregoing, no Party shall be obligated to proceed with a modification that would constitute a Material Modification and therefore require an Interconnection Request under the LGIP, except as provided under and pursuant to the LGIP.

In the case of Large Generating Facility or Interconnection Customer's Interconnection Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Interconnecting Transmission Owner shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Interconnecting Transmission Owner makes to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System to facilitate the interconnection of a third party to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System, or to provide transmission service to a third party under the Tariff, except as provided for under the Tariff or any other applicable tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Large Generating Facility or Interconnection Customer's

Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, the Interconnecting Transmission Owner shall test Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.
- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Interconnection Customer and Interconnecting Transmission Owner shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, as may be necessary to ensure the continued interconnection of the Large Generating Facility to the Administered Transmission System in a safe and reliable manner. The Interconnection Customer and Interconnecting Transmission Owner each shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's(ies') facilities, at the requesting Party's expense, as may be in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator shall also have the right to require reasonable additional testing of the other Party's (ies') facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 6.3 Right to Observe Testing.** Each Party shall notify the System Operator and other Party(ies) in advance of its performance of tests of its Interconnection Facilities. The other Party(ies) has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's(ies') tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's(ies') System Protection Facilities and other protective equipment; and (iii) review the other Party's(ies') maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. Each Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be governed by Article 22.

ARTICLE 7. METERING

- 7.1 General.** Each Party shall comply with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding metering. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. Unless the System Operator otherwise agrees, the Interconnection Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under this Tariff and to communicate the information to the System Operator. Unless otherwise agreed, such equipment shall remain the property of the Interconnecting Transmission Owner.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Interconnecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Interconnecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Interconnecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards and the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 7.4 Testing of Metering Equipment.** Interconnecting Transmission Owner shall inspect and test all Interconnecting Transmission Owner-owned Metering Equipment upon installation and thereafter as specified in the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's

expense, in order to provide accurate metering. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than the values specified within ISO New England Operating Documents, or successor documents, from the measurement made by the standard meter used in the test, the Interconnecting Transmission Owner shall adjust the measurements, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

- 7.5 Metering Data.** At Interconnection Customer's expense, metered data shall be telemetered to one or more locations designated by System Operator and Interconnecting Transmission Owner. The hourly integrated metering, established in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, used to transmit Megawatt hour ("MWh") per hour data by electronic means and the Watt-hour meters equipped with kilowatt-hour ("kwh") or MWh registers to be read at month's end shall be the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection. Instantaneous metering is required for all Generators in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 8. COMMUNICATIONS

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with the System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer or Interconnecting Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by System Operator and Interconnecting Transmission Owner through use of a dedicated point-to-point data circuit(s). The communication protocol for the data circuit(s) shall be specified by System Operator and Interconnecting Transmission Owner. All information required by the ISO New England

Operating Documents, or successor documents, must be telemetered directly to the location(s) specified by System Operator and Interconnecting Transmission Owner.

Each Party will promptly advise the other Party(ies) if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party(ies). The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

- 9.1 General.** Each Party shall comply with applicable provisions of ISO New England Operating Documents, Reliability Standards, or successor documents, regarding operations. Each Party shall provide to the other Party(ies) all information that may reasonably be required by the other Party(ies) to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** Before Initial Synchronization Date, the Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner in writing in accordance with ISO New England Operating Documents, Reliability Standards, or successor documents. If the Interconnection Customer elects to have the Large Generating Facility dispatched and operated from a remote Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and ISO New England Operating Documents, Reliability Standards, or successor documents, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area for dispatch and operations.
- 9.3 Interconnecting Transmission Owner and System Operator Obligations.** Interconnecting Transmission Owner and System Operator shall cause the Interconnecting Transmission Owner's

Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA and ISO New England Operating Documents, Reliability Standards, or successor documents. Interconnecting Transmission Owner or System Operator may provide operating instructions to Interconnection Customer consistent with this LGIA, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Interconnecting Transmission Owner's and System Operator's operating protocols and procedures as they may change from time to time. Interconnecting Transmission Owner and System Operator will consider changes to their operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA and ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.5 Start-Up and Synchronization. The Interconnection Customer is responsible for the proper start-up and synchronization of the Large Generating Facility to the New England Transmission System in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility and all generating units comprising the Large Generating Facility, as applicable, to maintain a composite power delivery at continuous rated power output at the Point of Interconnection with dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, unless the System Operator or Interconnecting Transmission Owner has established different requirements that apply to all synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4 to the LGIA)

generators in the Control Area on a comparable basis and in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.1.2 Non-Synchronous Generation. The power factor design criteria requirements applicable to non-synchronous- Generating Facilities shall be as specified in in Appendix G to the LGIA. The Low Voltage Ride-Through Capability requirements applicable to wind and inverter-based Generating Facilities shall be as specified in Appendix G to the LGIA.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized the Large Generating Facility to the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility at the direction of System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding voltage schedules in accordance with such requirements.

9.6.2.1 Voltage Regulators. The Interconnection Customer must keep and maintain a voltage regulator on all generating units comprising a Large Generating Facility in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. All Interconnection Customers that have, or are required to have, automatic voltage regulation shall normally operate the Large Generating Facility with its voltage regulators in automatic operation.

It is the responsibility of the Interconnection Customer to maintain the voltage regulator in good operating condition and promptly report to the System Operator and Interconnecting Transmission Owner any problems that could cause interference with its proper operation.

9.6.2.2 System Protection. The Interconnection Customer shall install and maintain protection systems in accordance with applicable provisions of the ISO New

England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.3 Payment for Reactive Power.

Interconnection Customers shall be compensated for Reactive Power service in accordance with Schedule 2 of the Section II of the Tariff.

9.6.4 Primary Frequency Response.

Interconnection Customer with an Interconnection System Impact Study [or Cluster Study](#) that commenced on or after May 15, 2018 shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance

with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting Transmission Owner upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum

whenever the Large Generating Facility is operated in parallel with the New England Transmission System.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 9.6.4, but shall be otherwise exempt from the operating requirements in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Large Generating Facility that ~~is an~~ contains an electric storage resource shall establish

an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. The System Operator shall have the authority to coordinate facility outages in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Each Party may in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, in coordination with the other Party(ies), remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's(ies') facilities as necessary to perform maintenance or testing or to install or replace equipment, subject to the oversight of System Operator in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.1.2 Outage Schedules. Outage scheduling, and any related compensation, shall be in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.2 Interruption of Service. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, the System Operator or Interconnecting Transmission Owner may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect System Operator's or Interconnecting Transmission Owner's ability to perform such activities as are necessary to safely and reliably operate and maintain the New England Transmission System.

9.7.3 Ride Through Capability and Performance~~Under-Frequency and Over-Frequency Conditions~~. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall

be studied and coordinated with System Operator and Interconnecting Transmission Owner in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by NERC to ensure voltage “ride through” capability of the Transmission System. The term “ride through” as used herein shall mean the ability of a Large Generating Facility to stay connected to and synchronized with the New England Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer’s Interconnection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall install at Interconnection Customer’s expense, in accordance with

the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, any System Protection Facilities that may be required on the Interconnecting Transmission Owner Interconnection Facilities or the New England Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.4 Each Party's protective relay design shall allow for tests required in Article 6.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.5 Requirements for Protection. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and compliance with Good Utility Practice , Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the New England Transmission System not otherwise isolated by Interconnecting Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New England Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the New England Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer

shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the New England Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. A Party's facilities shall not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party(ies) with a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Administered Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Interconnecting Transmission Owner's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws

and Regulations or upon some other mutually agreed-upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Commission for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the New England Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 10. MAINTENANCE

- 10.1 Interconnecting Transmission Owner and Customer Obligations.** Interconnecting Transmission Owner and Interconnection Customer shall each maintain that portion of its respective facilities that are part of the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities in a safe and reliable manner and in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 10.2 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation,

maintenance, repair and replacement of Interconnecting Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, Network Upgrades and Distribution Upgrades.

ARTICLE 11. PERFORMANCE OBLIGATION

- 11.1 Interconnection Customer's Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at its sole expense.
- 11.2 Interconnecting Transmission Owner's Interconnection Facilities.** Interconnecting Transmission Owner shall design, procure, construct, install, own and/or control the Interconnecting Transmission Owner's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades, and to the extent provided by Article 5.1, Stand Alone Network Upgrades, and Distribution Upgrades described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades). The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Interconnecting Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by the Interconnection Customer.
- 11.4 Cost Allocation; Compensation; Rights; Affected Systems and Internal Affected Systems.**
- 11.4.1 Cost Allocation.** Cost allocation of Generator Interconnection Related Upgrades shall be in accordance with Schedule 11 of Section II of the Tariff.
- 11.4.2 Compensation.** Any compensation due to the Interconnection Customer for increases in transfer capability to the PTF resulting from its Generator Interconnection Related Upgrade shall be determined in accordance with Sections II and III of the Tariff.

11.4.3 Rights. Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades.

11.4.4 Special Provisions for Affected Systems and Internal Affected Systems. The Interconnection Customer shall enter into separate related facilities agreements to address any upgrades to the Affected System(s) or Internal Affected System(s) that are necessary for safe and reliable interconnection of the Interconnection Customer's Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of an Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If System Operator or Interconnecting Transmission Owner requests or directs Interconnection Customer to provide a service pursuant

to Articles 9.6.3 (Payment for Reactive Power), or 13.4.1 of this LGIA, Interconnection Customer shall be compensated pursuant to the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.

Interconnection Customer shall be compensated for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the New England Transmission System during an Emergency Condition in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 12. INVOICE

12.1 General. Each Party shall submit to the other Party(ies), on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party(ies) under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice. Interconnection Customer shall pay to Interconnecting Transmission Owner any amount by which the actual payment by Interconnection Customer for estimated costs falls short of the

actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by any Party will not constitute a waiver of any rights or claims the other Party(ies) may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Interconnecting Transmission Owner and Interconnection Customer, Interconnecting Transmission Owner shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Interconnecting Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in the Commission's Regulations at 18 CFR § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations. Each Party shall comply with the Emergency Condition procedures of the System Operator in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.2 Notice. Interconnecting Transmission Owner or System Operator as applicable shall notify Interconnection Customer and System Operator or Interconnecting Transmission Owner as applicable, promptly when it becomes aware of an Emergency Condition that affects the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System that may reasonably be expected to affect Interconnection Customer's

operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Interconnecting Transmission Owner and System Operator promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Interconnecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Interconnecting Transmission Owner and System Operator, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by the Interconnecting Transmission Owner or the System Operator or otherwise regarding the New England Transmission System.

13.4 System Operator's and Interconnecting Transmission Owner's Authority.

13.4.1 General. System Operator or Interconnecting Transmission Owner may take whatever actions or inactions with regard to the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the New England Transmission System or Interconnecting Transmission Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. System Operator and Interconnecting Transmission Owner may, on the basis of technical considerations,

require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of System Operator's and Interconnecting Transmission Owner's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. System Operator and Interconnecting Transmission Owner may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities when such reduction or disconnection is necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. These rights are separate and distinct from any right of curtailment of the System Operator and Interconnecting Transmission Owner pursuant to the Tariff. When the System Operator and Interconnecting Transmission Owner can schedule the reduction or disconnection in advance, System Operator and Interconnecting Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. System Operator and Interconnecting Transmission Owner shall coordinate with the Interconnection Customer in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the System Operator and Interconnecting Transmission Owner. Any reduction or disconnection shall continue only for so long as reasonably necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the New

England Transmission System to their normal operating state as soon as practicable in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

- 13.5 Interconnection Customer Authority.** In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents and the LGIA and the LGIP, the Interconnection Customer may take whatever actions or inactions with regard to the Large Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities. System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.6 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, a Party shall not be liable to another Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended. To the extent that a condition arises that could result in Interconnection Customer's inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company

Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, the Parties shall engage in good faith negotiations to address the condition so that such result will not occur and so that this LGIA can be performed.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F (Addresses for Delivery of Notices and Billings).

A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another Party and not required by this Agreement to be given in writing may be so given by

telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

- 15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party(ies) in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 A Party shall not be considered to be in Default with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party(ies) in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default.

17.1.1 General. No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the

result of an act or omission of the other Party(ies). Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party(ies) shall have the right to terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this LGIA, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

Notwithstanding any other provision of this Agreement, the liability, indemnification and insurance provisions of the Transmission Operating Agreement (“TOA”) or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner and the liability, indemnification and insurance provisions of the Tariff apply to the relationship between the System Operator and the Interconnection Customer and between the Interconnecting Transmission Owner and the Interconnection Customer.

18.1 Indemnity. Each Party shall at all times indemnify, defend, and save the other Party(ies) harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party’s(ies’) action or inactions of their obligations under this LGIA on behalf of

the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by an indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall a Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. The Interconnecting Transmission Owner and the Interconnection Customer shall, at their own expense, maintain in force throughout the period of this LGIA, and until released by the other Party(ies), the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage

(including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death, and property damage.

- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party(ies), its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only

one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) Business Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar days-Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program, provided that such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party(ies) that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

ARTICLE 19. ASSIGNMENT

19.1 Assignment. This LGIA may be assigned by any Party only with the written consent of the other Parties; provided that the Parties may assign this LGIA without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that the Interconnection Customer shall have the right to assign this LGIA, without the consent of the Interconnecting Transmission Owner or System Operator, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will promptly notify the Interconnecting Transmission Owner and System Operator of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Interconnecting Transmission Owner and System Operator of the date and particulars of any such exercise of assignment right(s), including providing the Interconnecting Transmission Owner with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Interconnecting Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Alternate Option

(Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

- 21.1 Comparability.** The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

- 22.1 Confidentiality.** Confidential Information shall include, without limitation, all information governed by the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by a Party to another prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by a Party, the other Party(ies) shall provide, in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

- 22.1.1 Term.** During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party(ies) that it no longer is confidential.

22.1.3 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or are considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party(ies). The disclosure by each Party to the other Party(ies) of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party(ies), use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party(ies)) or return to the other Party(ies), without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party(ies).

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Article 22. Each

Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Parties shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR. section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this LGIA prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA (“Confidential Information”) shall not be disclosed by the other Party(ies) to any

person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Parties' Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

- 23.1** Each Party shall notify the other Party(ies), first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party(ies). The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party(ies) copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

- 24.1 Information Acquisition.** Subject to any applicable confidentiality restrictions, including, but not limited to, codes of conduct, each Party shall submit specific information regarding the

electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by System Operator and Interconnecting Transmission Owner.

The initial information submission by System Operator and Interconnecting Transmission Owner shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date and shall include information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by the Parties. On a monthly basis Interconnecting Transmission Owner shall provide Interconnection Customer a status report on the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Interconnecting Transmission Owner and System Operator for the [Interconnection Feasibility Study, Interconnection System Impact Study-Cluster Study, Transitional Cluster Study,](#) and Interconnection Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Interconnecting Transmission Owner and System Operator standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is different from what was originally provided to Interconnecting Transmission Owner pursuant to the Interconnection Study Agreement between Interconnecting Transmission Owner and Interconnection Customer, then the System Operator will review it and conduct appropriate studies, as needed, at the Interconnection Customer's cost,

to determine the impact on the New England Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all “as-built” Large Generating Facility information and “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to the Interconnecting Transmission Owner for each individual generating unit in a station.

The Interconnection Customer shall provide the Interconnecting Transmission Owner and System Operator with any information changes due to proposed equipment replacement, repair, or adjustment. Interconnecting Transmission Owner shall provide the Interconnection Customer and System Operator with any information changes due to proposed equipment replacement, repair or adjustment in the directly connected substation or any adjacent Interconnecting Transmission Owner-owned substation that may affect the Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information in accordance with Article 5.19 of this Agreement.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

- 25.1 Information Access.** Each Party (the “disclosing Party”) shall make available to the other Parties information that is in the possession of the disclosing Party and is necessary in order for the other Party(ies) to: (i) verify the costs incurred by the disclosing Party for which the other Party(ies) are responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the “notifying Party”) shall notify the other Party(ies) when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party(ies), to audit at its own expense the other Party’s(ies’) accounts and records pertaining to a Party’s performance or a Party’s satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party’s(ies’) costs, calculation of invoiced amounts, the efforts to allocate responsibility for the provision of reactive support to the New England Transmission System, the efforts to allocate responsibility for interruption or reduction of generation on the New England Transmission System, and each Party’s actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party(ies) together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party(ies) for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party(ies) for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Interconnecting

Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

- 26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

- 27.1 Submission.** In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party(ies) with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's(ies') receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration

Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. [OMITTED]

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect. This LGIA and the rights and obligations hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice

versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix of this LGIA, or such Section of the LGIP or such Appendix of the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, this LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. Except for the ISO New England Operating Documents, Applicable Reliability Standards, any applicable tariffs, related facilities agreements, or successor documents, there are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver. The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by a Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this LGIA. Termination or Default of this LGIA for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Interconnecting Transmission Owner. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Consistent with Section 11.3 of the LGIP, Interconnecting Transmission Owner and System Operator shall have the right to make unilateral filings with the Commission to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal

Power Act and the Commission's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Parties and to participate fully in any proceeding before the Commission in which such modifications may be considered. In the event of disagreement on terms and conditions of the LGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to Interconnecting Transmission Owner's position on such terms and conditions. Nothing in this LGIA shall limit the rights of the Parties or of the Commission under sections 205 or 206 of the Federal Power Act and the Commission's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

IN WITNESS WHEREOF, the Parties have executed this LGIA in triplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ISO New England Inc. (System Operator)

By:

Title:

Date:

***[Insert Name of]* (Interconnecting Transmission Owner)**

By:

Title:

Date:

***[Insert name of]* (Interconnection Customer)**

By:

Title:

Date:

APPENDICES TO LGIA

Appendix A	Interconnection Facilities, Network Upgrades and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

APPENDIX A TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

- a. **Point of Interconnection and Point of Change of Ownership.** The Point of Interconnection shall be at the point where *[insert description of location]*. See Appendix A-*[insert]*, which drawing is attached hereto and made part hereof.

The Point of Change of Ownership shall be at the point where *[insert description of location]*. See Appendix A—*[insert]*, which drawing is attached hereto and made part hereof.

If not located at the Point of Interconnection, the metering point(s) shall be located at: *[insert location]*.

- b. **Interconnection Customer's Interconnection Facilities (including metering equipment).** The Interconnection Customer shall construct *[insert Interconnection Customer's Interconnection Facilities]*. See Appendix A-*[insert]*, [which drawing is attached hereto and made part hereof](#).
- c. **Interconnecting Transmission Owner's Interconnection Facilities (including metering equipment).** The Interconnecting Transmission Owner shall construct *[insert Interconnecting Transmission Owner's Interconnection Facilities, including any Cluster Enabling Transmission Upgrades]*. See Appendix [A—\[insert\]](#), [which drawing is attached hereto and made part hereof](#).

2. Network Upgrades:

- a. **Stand Alone Network Upgrades.** *[insert Stand Alone Network Upgrades]*.

b. Substation Network Upgrades~~Other Network Upgrades~~. [*insert Substation*~~Other~~
Network Upgrades, including any Cluster Enabling Transmission Upgrades].

~~b-c.~~ e. System Network Upgrades [*insert System Network Upgrades, including any*
Cluster Enabling Transmission Upgrades].

3. **Distribution Upgrades.** [*insert Distribution Upgrades*]

4. ~~_____~~ **Affected System and/or or Internal Affected System Upgrades.** [*insert Affected System*
Upgrades]

5. ~~_____~~

6. ~~_____~~ **Long Lead Facility-Related Upgrades.**

7. ~~_____~~

8. ~~_____~~ The Interconnection Customer's Large Generating Facility is associated with a Long Lead Facility, in accordance with Section 3.2.3 of the LGIP. Pursuant to Section 4.1 of the LGIP, the Interconnection Customer shall be responsible for the following upgrades in the event that the Long Lead Facility achieves Commercial Operation and obtains a Capacity Supply Obligation in accordance with Section III.13.1 of the Tariff:

9. ~~_____~~

10. ~~_____~~ [*insert list of upgrades*]

11. ~~_____~~

12. ~~_____~~ If the Interconnection Customer fails to cause these upgrades to be in service prior to the commencement of the Long Lead Facility's Capacity Commitment Period, the Interconnection Customer shall be deemed to be in Breach of this LGIA in accordance with Article 17.1, and the System Operator will initiate all necessary steps to terminate this LGIA, in accordance with Article 2.3.

13. ~~4.~~ _____

14. 5. **Contingent Facilities:** [*insert list of Contingent Facilities*]

15.6. Post-Forward Capacity Auction Re-study Upgrade Obligations. [*insert any change in upgrade obligations that result from re-study conducted post receiving a Capacity Supply Obligation through a Forward Capacity Auction.*]

APPENDIX B TO LGIA

Milestones

- 1. Selected Option Pursuant to Article 5.1:** Interconnection Customer selects the *[insert]*.
Options as described in Articles 5.1.*[insert]*, 5.1.*[insert]*, and 5.1.*[insert]* shall not apply to this LGIA.
- 2. Milestones and Other Requirements for all Large Generating Facilities:** The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the LGIP and this LGIA. The referenced section of the LGIP or article of the LGIA should be reviewed by each Party to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	LGIP/LGIA Reference
1	Provide evidence of 100% continued Site Control to System Operator, or \$250,000 non-refundable deposit to Interconnecting Transmission Owner	Interconnection Customer	Upon Execution of the LGIA Within 15 BD of final LGIA receipt	§ 11.3.1.1 of LGIP
2	Provide evidence of one or more milestones specified in § 11.3 of LGIP	Interconnection Customer	Upon Execution of the LGIA Within 15 BD of final LGIA receipt	§ 11.3.1.2 of LGIP
3	Commit to a schedule for payment of upgrades	Interconnection Customer	Within 15 BD of final LGIA receipt	§ 11.3.1.2 of LGIP
4	LGIA Deposit Provide either (1) evidence of Major Permits or (2) refundable deposit to	Interconnection Customer	Simultaneously with LGIA Execution, or within ten (10) Business Days	§ 11.3.1. 12 of LGIP

	Interconnecting Transmission Owner		after the Interconnection Customer request that the LGIA be filed unexecuted (1) Within 15 BD of final LGIA receipt or if (2) At time of LGIA execution	
5	Provide certificate of insurance	Interconnection Customer and Interconnecting Transmission Owner	Within 10 Calendar Days of execution of LGIA	§ 18.3.9 of LGIA
6	Provide siting approval for Generating Facility and Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
7A	Receive Governmental Authority approval for any facilities requiring regulatory approval	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.1 of LGIA
7B	Obtain necessary real property rights and rights-of-way for the construction of a discrete aspect of the Interconnecting Transmission Owner's	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.2 of LGIA

	Interconnection Facilities and Network Upgrades			
7C	Provide to Interconnecting Transmission Owner written authorization to proceed with design, equipment procurement and construction	Interconnection Customer	As may be agreed to by the Parties	§ 5.5.2 and § 5.6.3 of LGIA
7D	Provide System Operator evidence of proceeding with design, equipment procurement, and construction	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
7E	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone 7C and ending when the entire Large Generating Facility and all required Interconnection Facilities and Network Upgrades are in place	§ 5.7 of LGIA

8	Provision of Security to Interconnecting Transmission Owner pursuant to Section 11.5 of LGIA	Interconnection Customer	At least 30 Calendar Days prior to design, procurement and construction	§§ 5.5.3 and 5.6.4 of LGIA
9	Provision of Security Associated with Tax Liability to Interconnecting Transmission Owner pursuant to Section 5.17.3 of LGIA	Interconnection Customer	As may be agreed to by the Parties	§ 5.17.3 of LGIA
10A	Commit to the ordering of long lead time material for Interconnection Facilities and Network Upgrades	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
10B	Commit to ordering of long lead time material for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
11A	Provide initial design, engineering and specification for Interconnection	Interconnection Customer	180 Calendar Days prior to Initial	§ 5.10.1 of LGIA § 7.5 of LGIP

	Customer's Interconnection Facilities to Interconnecting Transmission Owner		Synchronization Date	
11B	Provide comments on initial design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LGIA § 7.5 of LGIP
11C	Provide to Interconnecting Transmission Owner initial design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 LGIA
11D	Provide to Interconnection Customer comments on initial design, engineering and	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA

	specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
12A	Provide final design, engineering and specification for Interconnection Customer's Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	90 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LGIA § 7.5 of LGIP
12B	Provide comments on final design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LGIA § 7.5 of LGIP
12C	Provide to Interconnecting Transmission Owner final design, engineering and specification for Interconnecting Transmission Owner's	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA

	Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
12D	Provide to Interconnection Customer comments on final design, engineering and specification of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA
13A	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnection Customer's Interconnection Facilities	Interconnection Customer	Within 120 Calendar Days of Commercial Operation date	§ 5.10.3 of LGIA
13B	Deliver to Interconnecting	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA

	Transmission Owner “as built” drawings, information and documents regarding Interconnecting Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
14	Provide protective relay settings to Interconnecting Transmission Owner for coordination and verification	Interconnection Customer	At least 90 Calendar Days prior to Initial Synchronization Date	§§ 5.10.1 of LGIA
15A	Commencement of construction of Interconnection Facilities	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.6 of LGIA
15B	Commencement of construction of Interconnecting Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA

	Interconnection Customer			
16	Submit updated data “as purchased”	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	§ 24.3 of LGIA
17	In Service Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4 3.2 ⁴ and 4.4.5 of LGIP, § 5.1 of LGIA
18	Initial Synchronization Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4 4.2 ⁴ , 4.4.4, 4.4.5, and 7.5 of LGIP
19	Submit supplemental and/or updated data – “as built/as-tested”	Interconnection Customer	Prior to Commercial Operation Date	§ 24.4 of LGIA
20	Commercial Operation Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4 4.2 ⁴ , 4.4.4, 4.4.5, and 7.5 of LGIP
21A	Deliver to Interconnection Customer “as built” drawings, information and documents regarding Interconnecting Transmission Owner’s	Interconnecting Transmission Owner	If requested, within 120 Calendar Days after Commercial Operation Date	§ 5.11 of LGIA

	Interconnection Facilities			
21B	Deliver to Interconnecting Transmission Owner “as built” drawings, information and documents regarding Interconnecting Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
21C <u>21B</u>	Approve and accept for operation and maintenance the Interconnecting Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA
22	Provide Interconnection Customer final cost invoices	Interconnecting Transmission Owner	Within 6 months of completion of construction of Interconnecting	§ 12.2 of LGIA

			Transmission Owner Interconnection Facilities and Network Upgrades	
23	Transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer	Interconnection Customer	Prior to In- Service Date	§ 5.2 of LGIA
24	Transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer	Interconnection Customer	Prior to In- Service Date	§ 5.2 of LGIA
25	Interconnection Customer with qualifying regulatory	Interconnection Customer	180 days from the effective date of this LGIA	

	limitations must demonstrate 100% Site Control by or the LGIA may be terminated per Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's LGIP (Calculation of the Withdrawal Penalty).			

- 3. Milestones Applicable Solely for CNR Interconnection Service ~~and Long Lead Facility Treatment~~.** In addition to the Milestones above, [for projects that achieve a Capacity Supply Obligation prior to September 4, 2024](#), the following Milestones apply to Interconnection Customers requesting CNR Interconnection Service ~~and/or Long Lead Facility Treatment~~:

Item No.	Milestone Description	Responsible Party	Date	LGIP/LGIA Reference
1	If Long Lead Facility, all dates by which Critical Path Schedule upgrades will be submitted to System Operator (end date for New Capacity Show of Interest Submission)	Interconnection Customer		§ 3.2.3 of LGIP
2	If Long Lead Facility, dates by which Long Lead Facility Deposits will be provided to System Operator (each deadline for which New Generating	Interconnection Customer		§ 3.2.3 of LGIP

	Capacity Resource would be required to provide financial assurance under § III.13.1.9 of the Tariff)			
3	If Long Lead Facility, Capacity Commitment Period (not to exceed the Commercial Operation Date)	Interconnection Customer		§ 1 and 3.2 of LGIP
14	Submit necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date, in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of LGIP
25	Participate in a CNR Group Study	Interconnection Customer		§ 3.2.1.3 of LGIP
36	Qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of LGIP
47	Complete a re-study of the applicable Interconnection Study to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request based on the results of the Forward Capacity Auction or Reconfiguration Auction or bilateral transaction through which the Interconnection Customer received a Capacity Supply Obligation	System Operator		§ 3.2.1.3 of LGIP

APPENDIX C TO LGIA

Interconnection Details

1. Description of Interconnection:

Interconnection Customer shall install a [insert] MW [Large Generating Facility](#), rated at [insert] MW gross and [insert] MW net, with all studies performed at or below these outputs. The [Large](#) Generating Facility is comprised of [insert] units in a [insert description of facility type - combined cycle, wind farm, etc.] rated at: [insert] MW each, and will located at [insert location].

The Large Generating Facility shall receive:

Network Resource Interconnection Service for the NR Capability at a level not to exceed [insert gross and net] MW for Summer, and [insert gross and net] MW for Winter.

Capacity Network Resource Interconnection Service for: (i) the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer and [insert gross and net at or above 0 degrees F] MW for Winter; and (ii) the CNR Capability at [insert net] MW for Summer and [insert net] MW for Winter, which shall not exceed [insert the maximum net MW electrical output of the Generating Facility at an ambient temperature at or above 90 degrees F for summer and at or above 20 degrees F for winter].

2. Detailed Description of Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	
Excitation System Model	

Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	
Maximum Charging Load (MW) at Point of Interconnection	
Will BESS be charged from the Administered Transmission System? (Yes/No)	
Primary Frequency Response Operating Range	
Minimum State of Charge	
Maximum State of Charge	
Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	
Transient Reactance (saturated)	

Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	
Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

3. Other Description of Interconnection Plan and Facilities:

[Insert any other description relating to the Generating Facility, including, but not limited to switchyard, protection equipment, step-up transformer to the extent not described in Appendix A.]

APPENDIX D TO LGIA

Security Arrangements Details

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New England Transmission System reliability and operational security. The Commission will expect System Operator, Interconnecting Transmission Owners, market participants, and Interconnection Customers interconnected to the New England Transmission System to comply with the recommendations offered by the Critical Infrastructure Protection Committee and, eventually, best practice recommendations from NERC. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

APPENDIX E TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between System Operator Interconnecting, Transmission Owner and Interconnection Customer.

[Date]

[Interconnecting Transmission Owner; Address]

[to be supplied]

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Re: _____ Large Generating Facility

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced commercial operation of Unit No. _____ at the Large Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

|

APPENDIX F TO LGIA

Addresses for Delivery of Notices and Billings Notices:

System Operator:

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

With copy to:

Billing Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

System Operator:

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

With copy to:

Billing Department

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

System Operator:

Facsimile: (413) 540-4203

E-mail: geninterconn@iso-ne.com

With copy to:

Facsimile: (413) 535-4024

E-mail: billingdept@iso-ne.com

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

APPENDIX G TO LGIA

Interconnection Requirements For A Wind and Inverter-Based Generating Facilities

Appendix G sets forth requirements and provisions specific to wind and inverter-based Generating Facilities. All other requirements of this LGIA continue to apply to wind and inverter-based Generating Facility interconnections.

A. A. Technical Standards Applicable to Wind and Inverter-Based Generating Facility

i. Low Voltage Ride-Through (LVRT) Capability

Wind and inverter-based Generating Facilities shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the System Operator and Interconnecting

Transmission Owner. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual wind generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual wind generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind Generating Facilities subject to FERC Order No. 661 and not covered by the transition period described above , as well as inverter-based Generating Facilities must meet the following requirements:

1. Wind and inverter-based Generating Facilities are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind or inverter-based Generating Facility substation location, as determined by and documented by the System Operator and Interconnecting Transmission Owner. The maximum clearing time the wind or inverter-based Generating Facility shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind or inverter-based Generating Facility may disconnect from the transmission system. Wind and inverter-based Generating Facilities shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind or inverter-based Generating Facility GSU.
2. This requirement does not apply to faults that would occur between the wind or inverter-based Generating Facility terminals and the high side of the GSU.
3. Wind and inverter-based Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind and inverter-based Generating Facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind or inverter-based Generating Facility or by a combination of generator performance and additional equipment.
5. Existing individual wind generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual wind generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

SECTION 1. A newly interconnecting non-synchronous Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study [or Cluster Study](#) commences after October 5, 2016 shall maintain dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, at continuous rated power output, measured at the high-side of the station transformer or at the Point of the Interconnection if there is no station transformer. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors (provided the use of such capacitors is solely for the purpose of offsetting collector system losses and is found to meet all of the requirements specified in the Interconnection System Impact Study), or a combination of the two.

SECTION 2. A wind Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced after April 17, 2016 but before October 5, 2016 shall maintain dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, at continuous rated power output, measured at the high-side of the station transformer or at the Point of Interconnection if there is no station transformer.

SECTION 3. A wind Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced before April 17, 2016 shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Interconnection System Impact Study shows that such a requirement is necessary to ensure safety or reliability. For a wind Generating Facility for which the Interconnection System Impact Study commences before April 17, 2016, the power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the System Operator and Interconnecting Transmission Owner, or a combination of the two.

SECTION 4. A non-wind non-synchronous Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced

before October 5, 2016 shall meet the power factor requirements of Article 9.6.1.1 of the LGIA.

SECTION 5. The Interconnection Customer shall not disable power factor equipment while the wind Generating Facility is in operation.

SECTION 6. Wind Generating Facilities shall also be able to provide sufficient additional dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Interconnection System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

Wind and inverter-based Generating Facilities shall provide SCADA capability to transmit data and receive instructions from the System Operator and Local Control Center to protect system reliability. The System Operator, Interconnecting Transmission Owner and the wind or inverter-based Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind or inverter-based Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

APPENDIX ~~7~~12

INTERCONNECTION PROCEDURES FOR WIND GENERATION

Appendix ~~12~~7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generating Plants

The wind generating plant Interconnection Customer, in completing the Interconnection Request required by Section 3.4 of this LGIP, may provide to the System Operator a set of preliminary electrical design specifications depicting the wind generating plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind generating plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind generating plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the System Operator to complete the Interconnection System Impact Study.

SCHEDULE 23

SMALL GENERATOR INTERCONNECTION PROCEDURES

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SECTION I. DEFINITIONS

The definitions contained in this section are intended to apply in the context of the generator interconnection process provided for in this Schedule 23 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under this Schedule 23. Capitalized terms in Schedule 23 that are not defined in this Section I shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this SGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England-Transmission System, as described in Section 9 of this SGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this SGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.7 of this SGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Small Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Small Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective

Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by Interconnection Customer to interconnect its Small Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff . The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this SGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this SGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this SGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this SGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this SGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this SGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment 7 to the Standard Small Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this SGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this SGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 7.6 of the Standard Small Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Small Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement (“E&P”) Agreement shall mean an agreement that authorizes Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer’s device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer’s Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning

and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Small Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment 2 to the Standard Small Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this SGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Attachment 2 of the Standard Small Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's

Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy, or the Cluster Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of this SGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this SGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this SGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this SGIP, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service

for all or part of a Generating Facility's capability. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the SGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Interconnection System Impact Study, the Cluster Study, Cluster Interconnection Facilities Study the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment, and the Optional Interconnection Study described in this SGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this SGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Small Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more 20 MW or less.

SGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed SGIA, or within ten (10) Business Days of requesting that the SGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this SGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its obligations under the Standard Small Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by 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 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 Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Small Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics. Any metering necessitated by the use of the Small Generating Facility shall be installed at Interconnection

Customer's expense in accordance with Commission, state, or local regulatory requirements and with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this SGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this SGIP that is made among Interconnecting Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability ("NR Capability") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean the Interconnection Service selected by Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer's NR Interconnection Service shall be solely for the megawatt

amount of the NR Capability requested pursuant to Section 3.1 of this SGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Small Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this SGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service

provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and Interconnection Customer. This agreement shall take the form of the Standard Small Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, and analyzing such information.

Site Control shall mean the exclusive -right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to

construct and operate may be demonstrated by documentation establishing: (a) that Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Attachment 2 to the Standard Small Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Small Generator Interconnection Agreement (“SGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility, that is included in this Schedule 23 to the Tariff.

Standard Small Generator Interconnection Procedures (“SGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in this Schedule 23 to the Tariff.

Study Case shall have the meaning specified in Sections 7.3 and 7.5 of this SGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for an Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Capacity Network Resource Group Study (“Transitional CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this SGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 5 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 6 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by System Operator to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Serial Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this SGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the SGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this SGIP.

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Small Generator Interconnection Procedures.

The SGIP and SGIA shall apply to Interconnection Requests pertaining to Small Generating Facilities. Except as expressly provided in the SGIP and SGIA, nothing in the SGIP or SGIA shall be construed to limit the authority or obligations that the Interconnecting Transmission Owner or System Operator, as applicable, has with regard to ISO New England Operating Documents. Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Commission expects the System Operator, Interconnecting Transmission Owners, market participants, and Interconnection Customers interconnected to the New England Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

2.2. Comparability.

The System Operator shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this SGIP. The System Operator and Interconnecting Transmission Owner shall process and analyze Interconnection Requests from all Interconnection Customers, regardless of whether the Generating Facilities are owned by the Interconnecting Transmission Owner, its subsidiaries or Affiliates, or others.

2.3 Base Case Data.

System Operator shall maintain Base Case power flow, short circuit and stability databases, including all underlying assumptions, and contingency lists on a secured location on the System Operator's website. For the purposes of this provision, Base Case Data may include the electromagnetic transient network model that does not include proprietary electromagnetic transient equipment models. System Operator shall provide access to such information located on a secured location on the System Operator's website, subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy as well as any other applicable requirement under Applicable Laws and Regulations regulating disclosure or confidentiality of such information. System Operator shall maintain network models and underlying assumptions on a secured location on the System Operator's website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection

Study and be representative of current system conditions as of the most recent Interconnection Study. The databases and lists addressed in this Section 2.3, hereinafter referred to as Base Cases, shall include all generation projects and transmission projects that are proposed for the New England Transmission System and any Affected System or Internal Affected System and for which a transmission expansion plan has been submitted and approved by the applicable authority and which, in the sole judgment of the System Operator, may have an impact on the Interconnection Request. The Base Cases shall also include generation projects that are not participating in the System Operator's interconnection process, but are expected to achieve approval pursuant to Section I.3.9 of the Tariff within ninety (90) days from the date of the creation of the Base Cases and for which steady state, short circuit, stability and electromagnetic transient network models for the generation projects and any associated system upgrades have been provided to the System Operator. Interconnection Customer, where applicable, shall provide Base Case Data to the Interconnecting Transmission Owner and System Operator to facilitate required Interconnection Studies.

System Operator shall provide a link to the secured location on its website that contains the information required under this Section 2.3 on System Operator's OASIS site. System Operator is permitted to require that Interconnection Customers or their third party consultants, OASIS site users, and users of the secured location on System Operator's website sign a confidentiality agreement before the release of information governed by Section 13.1 or the ISO New England Information Policy, or the release of any other information that is commercially sensitive or Critical Energy Infrastructure Information.

2.4 No Applicability to Transmission Service.

Nothing in this SGIP shall constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

2.5 Time Requirements.

Parties that must perform a specific obligation under a provision of the SGIP or Standard Small Generator Interconnection Agreement within a specified time period shall use Reasonable Efforts to complete such obligation within the applicable time period. A Party may, in the exercise of reasonable discretion and within the time period set forth by the applicable procedure or agreement, request that the relevant Party consent to a mutually agreeable alternative time schedule, such consent not to be unreasonably withheld.

SECTION 3. INTERCONNECTION REQUESTS.

3.1 General.

To initiate an Interconnection Request, an Interconnection Customer must comply with all of the requirements set forth in Section 3.4.1. Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. Within three (3) Business Days after the close of the Cluster Request Window, System Operator shall submit a copy of all valid Interconnection Requests received to Interconnecting Transmission Owner(s).

At Interconnection Customer's option, System Operator, Interconnection Customer, Interconnecting Transmission Owner, and any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of Clustering of Interconnection Requests, System Operator may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. System Operator shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement of the involved parties.

System Operator shall consider requests for Interconnection Service below the Small Generating Facility capability. An Interconnection Customer that submits an Interconnection Request for Interconnection Service below the Small Generating Facility capability shall include in the Interconnection Request the proposed control technologies to restrict the Small Generating Facility's output to the requested Interconnection Service levels. These requests for Interconnection Service shall be studied based on the nameplate capability of the Small Generating Facility at the level of Interconnection Service requested for purposes of determining necessary Interconnection Facilities, Network Upgrades, and associated costs, and the requests shall be studied at the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the

system, with the study costs borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 2 of the SGIA. The necessary control technologies and protection systems shall be established in Attachment 2 of the executed, or requested to be filed unexecuted, SGIA.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in ISO New England Planning Procedures.

Unless otherwise stated, all Commercial Readiness Deposits that must be submitted to the System Operator under this SGIP must be (a) delivered to the System Operator's bank account by electronic transfer, (b) through the provision and maintenance of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator, and included on the List of Eligible Commercial Readiness Deposit Letter of Credit Issuers, as described on the System Operator's public website, (c) a surety bond in a form and from an institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Surety Bond Issuers, as described on the System Operator's public website or (d) a combination thereof. Each letter of credit or surety bond must specify the Interconnection Request to which it corresponds. Further, notwithstanding Section 5 of this SGIP to the contrary, an Interconnection Customer may replace the acceptable forms of Commercial Readiness Deposits provided therein with a surety bond any time after such form is deemed acceptable by the System Operator. All costs associated with obtaining a letter of credit shall be borne by Interconnection Customer. In the event that System Operator identifies an administrative deficiency with a submitted letter of credit, or surety bond, Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

If the System Operator removes the financial institution from the list, Interconnection Customer shall have ten (10) Business Days from the date on which System Operator provides notice of such removal to replace the letter of credit, or surety bond with a letter of credit, or surety bond from a financial institution on the list. The System Operator may extend this cure period in its sole discretion. Failure to cure a deficiency within the periods prescribed in this Section 3.1 shall result in the withdrawal of the Interconnection Request pursuant to Section 3.7 of the SGIP without further opportunity to cure. System Operator shall only provide refunds and/or distribute funds held as part of a Commercial Readiness

Deposit to the extent that there are sufficient funds available from the applicable form of financial security.

All other deposits that must be submitted to the System Operator under this SGIP must be paid in cash and delivered to the System Operator's bank account by electronic transfer within the period specified in the respective provision.

A deposit will not be considered received until it is in the System Operator's bank account or, in the case of a letter of credit, or surety bond provided as a Commercial Readiness Deposit, the letter of credit or surety bond is accepted by System Operator. Deposits that must be submitted to the Interconnecting Transmission Owner shall be submitted in a form acceptable to the Interconnecting Transmission Owner.

3.2 Type of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either CNR Interconnection Service or NR Interconnection Service, as described in Sections 3.2.1 and 3.2.2 below.

An Interconnection Customer that meets the requirements to obtain CNR Interconnection Service shall obtain NR Interconnection Service up to the NR Capability upon completion of all requirements for NR Interconnection Service, including all necessary upgrades. Upon completion of all requirements for the CNR Interconnection Service, Interconnection Customer shall also receive CNR Interconnection Service for CNR Capability. An Interconnection Customer that meets the requirements to obtain NR Interconnection Service shall receive NR Interconnection Service for Interconnection Customer's NR Capability.

3.2.1 Capacity Network Resource Interconnection Service

3.2.1.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which CNRs are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows Interconnection Customer's Small Generating Facility to be designated as a CNR, and to participate in the New England Markets, in

accordance with Market Rule 1, Section III of the Tariff, up to the CNR Capability or as otherwise provided in the Tariff, on the same basis as existing CNRs, and to be studied as a CNR on the assumption that such a designation will occur.

3.2.1.2 The Studies.

All Interconnection Studies for CNR Interconnection Service shall assure that Interconnection Customer's Small Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit. For Interconnection Requests seeking to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024, the CNR Group Study shall assure that Interconnection Customer's Small Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other CNRs and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures. For all other Interconnection Requests, the intra-zonal deliverability analysis shall be performed as part of the Transitional Cluster Study or Cluster Study. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.1.3 Milestones for CNR Interconnection Service.

In addition to the requirements set forth in this SGIP, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service that seeks to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024 shall complete the following milestones prior to receiving CNR Interconnection Service for the CNR Capability, such milestones to be specified in Attachment 4 of the SGIA, as either completed or to be completed: (i) submit the necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date (except as modified pursuant to Sections 3.2.3 or 4.4 of this SGIP), in accordance with the provisions of Section III.13 of the Tariff; (ii) participate in a CNR Group Study for the Forward Capacity Auction associated with the requested Generating Facility's Commercial Operation Date; (iii) qualify and receive a Capacity

Supply Obligation in accordance with Section III.13 of the Tariff; and (iv) complete a re-study of the applicable Interconnection Study and CNR Group Study after the Forward Capacity Auction, Reconfiguration Auction, or bilateral transaction through which Interconnection Customer received a Capacity Supply Obligation to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request. The re-study shall include those CNR Interconnection Service or CNI Interconnection Service Interconnection Requests with a higher Queue Position that cleared and shall exclude any upgrades that are no longer necessary as a result of existing capacity that will be retired as of the start of the Capacity Commitment Period for which the resource has received a Capacity Supply Obligation. With respect to (iv) above, if an Interconnection Study Agreement has been executed, the Interconnection Study associated with the Interconnection Study Agreement shall include the necessary analysis that would otherwise have been performed in a re-study. If the original Interconnection Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Study Agreement. If an SGIA has been either executed or filed with the Commission in unexecuted form then the last Interconnection Study completed for Interconnection Customer under this SGIP shall be subject to re-study. The Appendices to the SGIA shall be amended (pursuant to Article 12.2 of the SGIA) to reflect CNR Capability and the results of the re-study.

After September 4, 2024, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service shall complete the requirements in this SGIP prior to receiving CNR Interconnection Service. Interconnection Customer shall complete the intra-zonal deliverability assessment by electing to participate in the Transitional Cluster Study or submit a new Interconnection Request for CNR Interconnection Service during the applicable Cluster Entry Window to participate and complete a Cluster Study. Any Interconnection Customer with a valid Interconnection Request for CNR Interconnection Service that has a completed Interconnection System Impact Study on or before July 1, 2024, but that has not received a Capacity Supply Obligation through the eighteenth Forward Capacity Auction or an earlier auction may: 1) seek to complete the process for obtaining CNR Interconnection Service through the process described in Section III.13.1.1.2A of the Tariff or 2) seek to complete the process for obtaining CNR Interconnection Service through the Transitional Cluster Study. Notwithstanding any other provision of the Tariff, an Interconnection Customer may seek to participate in both the process described in Section III.13.1.1.2A of the Tariff and the Transitional Cluster Study simultaneously. If Interconnection Customer achieves CNR Interconnection Service through Section III.13.1.1.2A, it may withdraw from the Transitional Cluster Study without penalty and be refunded any remaining study deposits associated with the Transitional Cluster Study. If Interconnection Customer

does not enter, or complete, the process described in either Section III.13.1.1.2A or the Transitional Cluster Study, the System Operator shall reduce Interconnection Customer's Interconnection Request to NR Interconnection Service.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which Network Resources are interconnected under the NC Interconnection Standard. NR Interconnection Service allows Interconnection Customer's Small Generating Facility to participate in the New England Markets, in accordance with the provisions of Market Rule 1, Section III of the Tariff, up to the net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as other Network Resources. Notwithstanding the above, the portion of a Small Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, except pursuant to a new Interconnection Request for CNR Interconnection Service.

3.2.2.2 The Studies.

The Interconnection Studies for an Network Resource shall assure that Interconnection Customer's Small Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit, in accordance with the NC Interconnection Standard and as detailed in the ISO New England Planning Procedures. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.2.3 Milestones for NR Interconnection Service.

An Interconnection Customer with an Interconnection Request for NR Interconnection Service shall complete the requirements in this SGIP prior to receiving NR Interconnection Service.

3.3 Utilization of Surplus Interconnection Service.

Surplus Interconnection Service allows an existing Interconnection Customer to utilize or transfer Surplus Interconnection Service at the Generating Facility's Point of Interconnection once Interconnection Customer has an executed Interconnection Agreement or requested that the Interconnection Agreement be filed unexecuted. For purposes of Surplus Interconnection Service, the existing Interconnection Customer is referred to as the "Original Interconnection Customer," and the entity requesting Surplus Interconnection Service is referred to as the "Surplus Interconnection Customer." The Original Interconnection Customer or, with written consent of the Original Interconnection Customer, one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the Original Interconnection Customer or one of its affiliates does not exercise this priority, then the Surplus Interconnection Service may be utilized by a third party of the Original Interconnection Customer's choosing and with the Original Interconnection Customer's written consent.

Surplus Interconnection Service may be available for any Unused Capability of Interconnection Service established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for CNR Interconnection Service, any Surplus Interconnection Service may be for existing CNR Interconnection Service or NR Interconnection Service. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for NR Interconnection Service, any Surplus Interconnection Service shall be for NR Interconnection Service. Surplus Interconnection Service is not applicable when a new Interconnection Request for Interconnection Service or Network Upgrades would be required to implement the proposed change to the Original Interconnection Customer's Generating Facility. Surplus Interconnection Service cannot be used to replace a retiring or to repower an existing Generating Facility.

The Original Interconnection Customer shall specify the amount of Unused Capability that is available for use by the Surplus Interconnection Customer's Generating Facility. The total output of the Original Interconnection Customer's Generating Facility plus the Surplus Interconnection

Customer's Generating Facility behind the same Point of Interconnection shall be limited to the maximum total amount of Interconnection Service granted to the Original Interconnection Customer as established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. Control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities shall be required in the case where the sum of the maximum output of the Original Interconnection Customer's Generating Facility plus the maximum output of the Surplus Interconnection Customer's Generating Facility exceeds the total amount of Interconnection Service established in the Original Interconnection Customer's Interconnection Agreement. Surplus Interconnection Service shall only be available at the existing Point of Interconnection of the Original Interconnection Customer's Generating Facility.

3.3.1 Surplus Interconnection Service Request

An Original Interconnection Customer or, with the consent of the Original Interconnection Customer, its affiliate or a third party of the Original Interconnection Customer's choosing may request Surplus Interconnection Service by submitting to the System Operator a completed Surplus Interconnection Service Request Application in the form contained in Attachment C to Appendix 1 of the SGIP. The Surplus Interconnection Service Request Application shall be accompanied by the Original Interconnection Customer's written consent for the Surplus Interconnection Customer's use of Unused Capability for Surplus Interconnection Service, and the technical data called for in the form.

Studies for Surplus Interconnection Service may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. The study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus

Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Any analyses shall be performed at the Surplus Interconnection Customer's expense.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures.

The Interconnection Agreement for the Original Interconnection Customer's Generating Facility shall be replaced by a new agreement among the System Operator, Interconnecting Transmission Owner, Original Interconnection Customer, and Surplus Interconnection Customer. The agreement shall be in the form of the most currently effective SGIA, modified to reflect the Surplus Interconnection Customer's Generating Facility and the amount of, and the terms for the use of, the Surplus Interconnection Service. The agreement shall be developed and negotiated in accordance with Section 11 of the SGIP, at the Surplus Interconnection Customer's expense.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

System Operator shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests sixty (60) Calendar Days after the conclusion of the three hundred sixty (360) Day transition process set out in Section 5.1 of this SGIP. All subsequent Cluster Request Windows shall open sixty (60) Calendar Days after the Cluster Study Results Meeting or Cluster Restudy Results Meeting (as appropriate). System Operator shall provide notice via posting on its public website at least thirty (30) Calendar Days prior to each respective Cluster Request Window opening.

3.4.1.1 Study Deposits.

Interconnection Customer shall submit to System Operator, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this SGIP, a potentially non-refundable initial deposit of \$15,000, and a refundable study deposit of \$100,000 (for new requests for NR Interconnection Service or CNR Interconnection Service) or \$50,000 (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). System Operator shall apply the initial deposit toward the costs incurred by the System Operator associated with the Interconnection Request, the cost of developing the study agreements and their attachments, and the cost of developing the SGIA. The study deposit shall be applied toward the cost of the Cluster Study.

3.4.2 Initiating an Interconnection Request.

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 SGIP:

- (i) A potentially non-refundable initial deposit of \$15,000.
- (ii) A completed application in the form of Appendix 1 and all information required under its Attachments,
- (iii) All information and deposits required under this Section 3.4 and
- (iv) In the case of a request for CNR Interconnection Service a demonstration of one-hundred percent (100%) site control and, in the case of NR Interconnection Service, a demonstration of no less than one-hundred percent (100%) Site Control or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$50,000 and a maximum of \$200,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;
- (v) Generating Facility capability (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility capability),
- (vi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.4.1.1 of this SGIP in the form of an irrevocable letter of credit, cash, or a surety bond 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,

- (vii) A Point of Interconnection, and;
- (viii) Whether the Interconnection Request shall be studied for NR Interconnection Service or for CNR Interconnection Service, consistent with Section 3.2 of this SGIP. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by System Operator until Interconnection Customer provides the required Site Control demonstration for its Generating Facility in the Cluster Study Process. Interconnection Customers facing qualifying regulatory limitations must demonstrate one-hundred percent (100%) Site Control within one-hundred eighty (180) Calendar Days of the effective date of the SGIA.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iv-v) of this SGIP. If System Operator determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to Transmission Provider's approval. Absent such, System Operator shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this SGIP without further opportunity to cure.

Interconnection Customer does not need to demonstrate Site Control where the Interconnection Request is for a modification to Interconnection Customer's existing Small Generating Facility and Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property.

The portions of the deposit of \$15,000 that have not been applied as provided in this Section 3.4.1 shall be refundable if Interconnection Customer executes an SGIA or where the Interconnection Request is withdrawn by Interconnection Customer within ten (10) Business Days of the Cluster Scoping Meeting. Otherwise, any unused balance of the deposit of \$15,000 shall be non-refundable and applied on a pro-rata basis to offset costs incurred by Interconnection Customers that are subject to re-study, as determined by the System Operator in accordance with the provisions of this SGIP, as a result of the withdrawal of an Interconnection Request within the same Cluster.

The expected Initial Synchronization Date of the new Small Generating Facility, of the increase in capacity of the existing Generating Facility, or of the implementation of the Material Modification to the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the System Operator, unless Interconnection Customer demonstrates that such time required to actively engineer, permit and construct the new Small Generating Facility or increase in capacity of the existing Generating Facility or implement the Material Modification to the existing Generating Facility will take longer than the seven year period. Upon such demonstration, the Initial Synchronization Date may succeed the date the Interconnection Request is received by the System Operator by a period of greater than seven (7) years so long as Interconnection Customer, System Operator, and Interconnecting Transmission Owner agree, such agreement shall not be unreasonably withheld.

3.4.3 Acknowledgment of Interconnection Request.

System Operator shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid Interconnection Request until all items in Section 3.4.2 of this SGIP have been received by the System Operator during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this SGIP, the System Operator shall notify Interconnection Customer within five (5) Business Days of receipt

of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide the System Operator the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, System Operator shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this SGIP), \$5,000 of the application fee is forfeited to System Operator, and any unspent portion of the application fee, the study deposit, and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, System Operator shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, System Operator may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, System Operator shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The System Operator must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, System Operator shall provide to Interconnection Customer a non-binding, updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this SGIP shall be included in the

Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7 of this SGIP) by System Operator, the initial deposit shall be forfeited to the System Operator, and the System Operator shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, System Operator shall initiate the Cluster Study described in Section 7 of this SGIP.

3.4.6 Cluster Study Scoping Meetings.

During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

The purpose of the Scoping Meeting shall be (i) to discuss alternative interconnection options, (ii) to exchange pertinent information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, (iii) to discuss Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, as applicable; (iv) to analyze such information, and (v) to discuss any other information necessary to facilitate the administration of the Interconnection Procedures.

The Parties will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) information regarding general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The Parties will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of. The duration of the meeting shall be sufficient to accomplish its purpose.

If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, System Operator shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement in the form specified by System Operator prior to a group Cluster Study Scoping Meeting, which will provide

for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

3.5 OASIS Posting.

3.5.1 OASIS Posting.

The System Operator will maintain on its OASIS a list of all Interconnection Requests in its Control Area. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested (i.e., CNR Interconnection Service or NR Interconnection Service); and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an SGIA or requests that the System Operator and Interconnecting Transmission Owner jointly file an unexecuted SGIA with the Commission. Before participating in a Scoping Meeting with an Interconnection Customer that is also an Affiliate, the Interconnecting Transmission Owner shall post on OASIS an advance notice of its intent to do so. The System Operator shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to the System Operator's OASIS site subsequent to the meeting between the System Operator, Interconnecting Transmission Owner, and Interconnection Customer to discuss the applicable study results. The System Operator shall also post any known deviations in the Small Generating Facility's Initial Synchronization Date.

3.5.2 Requirements to Post Interconnection Study Metrics

The System Operator will maintain on its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If the System Operator posts this information on its website, a link to the information must be provided on the System Operator's OASIS site. For each calendar quarter, the System Operator must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 of this SGIP.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than two hundred and seventy (270) Calendar Days after the close of the Customer Engagement Window,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study Agreement received by System Operator more than two hundred and seventy (270) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter, from the commencement of the Cluster Study to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(F) Percentage of Cluster Studies exceeding two hundred and seventy (270) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this SGIP.

3.5.2.2 Cluster Restudies Processing Time.

(A) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days after System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies where such System Operator notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the date when System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP to the date when System Operator provided the completed Cluster Restudy to Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Restudy Report to Interconnection Customer.

(F) Percentage of Cluster Restudies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this SGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are

completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate after receipt by System Operator of Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by System Operator more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed for the System Operator's Administered Transmission System during the reporting quarter, calculated from the date when System Operator received the executed Interconnection Facilities Study Agreement to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Study completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer.

(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this SGIP.

3.5.2.4 Interconnection Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from System Operator's interconnection

queue during the reporting quarter before completion of any Interconnection Studies or execution of any Interconnection Study Agreements,

(C) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of an Interconnection Facility Study,

(E) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after completion of an Interconnection Facilities Study or after completion of the Cluster Study if the Facilities Study was waived but before execution of an SGIA or Interconnection Customer requests the filing of an unexecuted SGIA,

(F) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after execution of an LGIA or Interconnection Customer requests the filing of an unexecuted, new LGIA,

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when System Operator received the request to withdraw from the queue.

3.5.3 System Operator is required to post on its website the measures in Section 3.5.2.1(A) through Section 3.5.2.4(F) for each calendar quarter within thirty (30) Calendar days of the end of the calendar quarter. System Operator will keep the quarterly measures posted on its website for three (3) calendar years with the first required report to be the first quarter of 2020. If System Operator retains this information on its website, a link to the information must be provided on System Operator's OASIS site.

3.5.4 In the event that any of the values calculated in Sections 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds twenty-five percent (25%) for two (2) consecutive calendar quarters, System Operator will have to comply with the measures below for the next four (4) consecutive calendar quarters and must continue reporting this information until System Operator reports four consecutive

calendar quarters without the values calculated in Sections 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding twenty-five percent (25%) for two (2) consecutive calendar quarters:

(i) System Operator must submit a report to the Commission describing the reason for each Cluster Study, Cluster Restudy, or individual Interconnection Facilities Study pursuant to one or more Interconnection Request(s) that exceeded its deadline (*i.e.*, 270, 90 or 180 Calendar Days) for completion. System Operator must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within forty-five (45) Calendar Days of the end of the calendar quarter.

(ii) System Operator shall aggregate the total number of employee hours and third party consultant hours expended towards Interconnection Studies for its Administered Transmission System that quarter and post on its website. If System Operator posts this information on its website, a link to the information must be provided on System Operator's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

3.5.5 Record Retention.

The System Operator shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests

3.6 Coordination with Internal Affected Systems.

The System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Internal Affected Systems with Internal Affected Parties and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this SGIP. The System Operator will include such Internal Affected Parties in all meetings held with Interconnection Customer as required by this SGIP. Interconnection Customer will cooperate with the System Operator and Interconnecting Transmission Owner in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Interconnection Customer shall be responsible for the costs associated with the studies or portions of studies associated with the Internal Affected Systems, including costs associated with the requirements of Section I.3.9 of the Tariff.

Payment and refunds associated with the costs of such studies will be coordinated between Interconnection Customer and the Internal Affected Party(ies) unless such costs are included in the costs of the Interconnection Study, in which case, the Internal Affected Party(ies) shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the respective Interconnection Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Studies.

The System Operator shall seek the cooperation of all Internal Affected Parties in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Nothing in the foregoing is intended to authorize Interconnection Customer to receive interconnection, related facilities or other services on an Affected System, and provision of such services must be handled through separate arrangements with Internal Affected Party(ies).

3.6A Coordination with Affected Systems Outside New England Control Area.

System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with System Operator and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

An Interconnecting Transmission Owner in the New England Control Area whose system may be impacted by a proposed interconnection on an Affected System shall cooperate with the System Operator and Affected System to transmission whom a proposed interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Interconnecting Transmission Owner's portion of the New England Transmission System.

3.6A.1 Initial Notification.

System Operator must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, System Operator must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6A.2 Notification of Cluster Restudy.

System Operator must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6A.3 Notification of Cluster Restudy Completion.

Upon the completion of System Operator's Cluster Restudy, System Operator will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, System Operator must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to System Operator, which System Operator will transmit to Interconnecting Transmission Owner and any Affected Parties. In addition, if Interconnection Customer fails to adhere to all requirements of this SGIP, except as provided in Section 13.5 (Disputes), the System Operator shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Except as otherwise provided elsewhere in this SGIP, upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify the System Operator of its intent to pursue Dispute Resolution, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the System Operator may eliminate Interconnection Customer's Interconnection Request from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to System Operator, Interconnecting Transmission Owner, and any Affected Parties all costs prudently incurred with

respect to that Interconnection Request prior to System Operator's receipt of notice described above. Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by System Operator under Section 3.7 of this SGIP, System Operator shall (i) update the OASIS Queue Position posting; and (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this SGIP. Except as otherwise provided elsewhere in this SGIP, the System Operator and the Interconnecting Transmission Owner shall refund to Interconnection Customer any refundable portion of Interconnection Customer's study deposit or study payments that exceeds the costs incurred, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations, or arrange to charge to Interconnection Customer any amount of such costs incurred that exceed Interconnection Customer's deposit or study payments, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations. The System Operator and Interconnecting Transmission Owner shall refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, System Operator, subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information, shall provide, at Interconnection Customer's request, all information developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the

Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.4.1.1 of this SGIP; or (2) as follows in (a)–(d):

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.
- (b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this SGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.
- (c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this SGIP, or after receipt of the draft SGIA but before Interconnection Customer has executed an SGIA or has requested that its SGIA be filed unexecuted, and has satisfied the other requirements described in Section 11.3 of this SGIP (i.e., Site Control demonstration, SGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed an SGIA or has requested that its SGIA be filed unexecuted and has satisfied the other requirements described in Section 11.3 of this SGIP (i.e., Site Control demonstration, SGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

For a single Cluster, System Operator shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the SGIA or requested the SGIA to be filed unexecuted. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, System Operator will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 6.3 of the pro forma SGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their SGIA or requesting to have their SGIA filed unexecuted. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs

shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with the System Operator's method in Section 13.3 of this SGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. System Operator shall post the balance of Withdrawal Penalty funds held by System Operator but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its SGIA, System Operator shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with the System Operator's method in Section 13.3 of this SGIP for allocating the costs of interconnection studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, System Operator will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this SGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an SGIA, or requested the SGIA to be filed unexecuted.

If System Operator's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, System Operator will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection

Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this SGIP). System Operator must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted. For the withdrawn Interconnection Customers that System Operator determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this SGIP, System Operator will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this SGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this SGIP).

If the System Operator's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, System Operator will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the SGIA (or filed unexecuted), as described in Section 3.7.1.2.3(a) of this SGIP, or after such execution (or filing unexecuted) of an SGIA, as described in Section 3.7.1.2.3(b) of this SGIP.

As discussed in Section 3.7.1.2.4, System Operator will amend executed (or filed unexecuted) SGIA's of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 6.3 of the pro forma SGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes, or requests the unexecuted filing of, its SGIA, the System Operator will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 6.3 of the pro forma SGIA, the System Operator will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). System Operator shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; (2) executed an SGIA; or (3) request an SGIA to be filed unexecuted. System Operator will perform the financial impact calculation using the following steps.

First, System Operator must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have SGIA's that are executed or have been requested to be filed unexecuted. Next, System Operator shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

- (1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);
- (2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);
- (3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);

(4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution or filing of an unexecuted SGIA;

(5) the restudy to the executed, or filed unexecuted, SGIA (if a restudy was performed after the Facilities Study phase and before the execution or filing of an unexecuted SGIA).

If, based on the above calculations, System Operator determines:

(i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and

(ii) after the impacted Interconnection Customer's SGIA was executed or filed unexecuted, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade,

then System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 6.3 of the pro forma SGIA.

If System Operator determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, System Operator will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this SGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study

Process

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its SGIA, System Operator will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

System Operator will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. The System Operator will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by System Operator.

3.7.1.2.4 Amending SGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted, System Operator must perform the calculations described in Section 3.7.1.2.3(a) of this SGIP and provide such Interconnection Customers with an amended SGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 6.3 of the pro forma SGIA, due from Interconnection Customer to the Interconnecting Transmission Owner.

Where an Interconnection Customer executes the SGIA (or requests the filing of an unexecuted SGIA) and is later withdrawn or its SGIA is terminated, System Operator must, within thirty (30) Calendar Days

of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this SGIP and provide such Interconnection Customers in the same Cluster with an amended SGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 6.3 of the pro forma SGIA, due from Interconnection Customer to Interconnecting Transmission Owner.

Any repayment by Interconnecting Transmission Owner to Interconnection Customer under Article 6.1 of the pro forma SGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Interconnecting Transmission Owner under Article 6.3 of the pro forma SGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, System Operator or Interconnecting Transmission Owner, as appropriate, will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

System Operator shall identify Contingent Facilities before the execution of the SGIA by reviewing the Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or the list of transmission projects planned or proposed for the New England Transmission System to identify those upgrades that are not yet in service but upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Planned or proposed upgrades will be identified as Contingent Facilities for an Interconnection Request if the absence of those upgrades would cause additional Adverse System Impacts to be identified in the Cluster Study, using the same conditions as those used in the Cluster Study. The thresholds for identification of Adverse System Impact for the purpose of identifying Contingent Facilities will be as follows: (i) an increase in the flow in an element by

at least two percent of the element's rating and that causes that flow to exceed that element's appropriate thermal rating by more than two percent where the appropriate thermal rating is the normal rating with all lines in service and the long time emergency or short time emergency rating after a contingency; (ii) a change of at least one percent in a voltage that causes a voltage level that is higher or lower than the appropriate high or low rating by more than one percent; (iii) an increase of at least a one percent change in the short circuit current experienced by an element and that causes a short circuit stress that is higher than an element's interrupting or withstand capability; or (iv) the introduction of a violation of stability criteria. Contingent Facilities that are identified during the evaluation of the Interconnection Request shall be documented in the Cluster Study report or the SGIA for the Small Generating Facility. System Operator shall also provide, upon request of Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time for each identified Contingent Facilities when this information is readily available and not commercially sensitive.

3.9 Penalties for Failure to Meet Study Deadlines.

(1) System Operator or Interconnecting Transmission Owner shall be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this SGIP. The responsibilities of System Operator and Interconnecting Transmission Owner in the conduct of such studies are set forth in the Transmission Operating Agreement and ISO New England Planning Procedures. System Operator or Interconnecting Transmission Owner must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from System Operator's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. System Operator or Interconnecting Transmission Owner must pay the penalty for a late Affected Systems Study on a pro rata basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. Except as provided below, the study delay penalty for each late study shall be distributed no later than forty-five (45) Calendar Days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: \$1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this SGIP; \$2,000

per Business Day for delays of Cluster Re-Studies beyond the applicable deadline set forth in this SGIP; \$2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this SGIP; and \$2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this SGIP. The total amount of a penalty assessed under this Section shall not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Interconnection Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that System Operator or Interconnecting Transmission Owner collects for conducting the Affected System Study.

(3) System Operator or Interconnecting Transmission Owner may appeal to the Commission any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) Calendar Days after the late study has been completed. While an appeal to the Commission is pending, System Operator or Interconnecting Transmission Owner shall remain liable for the penalty, but need not distribute the penalty until forty-five (45) Calendar Days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of the Commission's decision on the appeal are no longer pending before the Commission. The Commission may excuse System Operator or Interconnecting Transmission Owner from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the System Operator or Interconnecting Transmission Owner misses the applicable study deadline.

(5) If (a) System Operator or Interconnecting Transmission Owner needs to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for System Operator or Interconnecting Transmission Owner missing the original deadline.

(6) No penalties shall be assessed until the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after the Commission-approved effective date of this SGIP.

(7) System Operator and Interconnecting Transmission Owner must maintain on its OASIS or its public website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, System Operator and Interconnecting Transmission Owner must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. System Operator and Interconnecting Transmission Owner must post on their respective OASIS or website these penalty amounts for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. System Operator and Interconnecting Transmission Owner must maintain the quarterly measures posted on their respective OASIS or website for three (3) calendar years with the first required posting to be the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after System Operator transitions to the Cluster Study Process.

SECTION 4. INTERCONNECTION REQUEST EVALUATION PROCESS.

4.1 Queue Position.

4.1.1 Assignment of Queue Position.

System Operator shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request provided all items required pursuant to the provisions of Section 3.4.2 of this SGIP are received. A higher Queue Position assigned to an Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of a Cluster initiated earlier in time than an instant Cluster Study shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Cluster.

Any ongoing CSIS or CFACs as of June 13, 2024 shall include the Interconnection Requests that were identified as eligible to participate in the CSIS and CFAC and met the associated requirements for

inclusion in said studies in accordance with Section 4.2 of this SGIP. Interconnection Requests included in such a CSIS or CFAC shall consider a higher queued Interconnection Request not included in the cluster. A lower queued Interconnection Request that is not included in such a CSIS or CFAC shall consider all of the higher queued Interconnection Requests that are part of such a CSIS or CFAC.

4.1.1 Considerations Related to Achieving CNR Interconnection Service.

Participation in a CNR Group Study was required to achieve CNR Interconnection Service and CNI Interconnection Service prior to September 4, 2024.

After September 4, 2024 CNR the Transitional Cluster Study, Transitional CNR Group Study or Cluster Study processes shall be the only means for Generating Facilities subject to the Interconnection Procedures to achieve CNR Interconnection Service.

Interconnection Requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in Base Case for the Transitional CNR Group Study or a Cluster Study in order of submission/approval (the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates) provided that such Section I.3.9 approval was received at least ninety (90) Calendar days after the formation of the Base Case consistent with Section 2.3 of this SGIP.

4.2 General Study Process.

Interconnection Studies performed using clustering shall be conducted in such a manner to ensure the efficient implementation of the applicable Regional System Plan in light of the New England Transmission System's capabilities for the time period under study and consistent with Good Utility Practice.

The System Operator may use subgroups in the Cluster Study Process. If the System Operator elects to use subgroups in the Cluster Study Process, System Operator must publish the criteria used to define and determine subgroups on its OASIS or public website prior to the opening of a Cluster Request Window.

4.2.1 Triggers for CRPS.

The System Operator, at its discretion, may initiate a CRPS pursuant to Section 15 of Attachment K, Section II of the Tariff, when it identifies any of the following interconnection circumstances:

- (1) the withdrawal from the Cluster Study Process of two (2) or more Interconnection Requests for resources in the same electrical part of the New England Control Area; or
- (2) where procurements are underway for resources in the same electrical part of the New England Control Area;

and, none of the resources described in (1) or (2) above will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC.

System Operator may also initiate a CRPS in an electrical part of the New England Control Area where System Operator previously identified the need for a CETU to interconnect new resources.

4.2.2 Notice of Initiation of CRPS.

When the System Operator identifies the interconnection circumstances in Section 4.2.1 of this SGIP, the System Operator will provide notice to the Planning Advisory Committee of the initiation of a CRPS in accordance with Section 15.1 of Attachment K, Section II of the Tariff. The System Operator will perform a CRPS to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources for which the interconnection circumstances described in Section 4.2.1 of this SGIP were identified, consistent with Section 15.2 of Attachment K. The results of the CRPS performed under Attachment K will inform the Cluster entry process and requirements for Interconnection Requests for Generating Facilities that need the CETU to meet the interconnection standards in Schedules 22, 23, or 25 of the OATT. The System Operator will provide notice to Interconnection Customers with Interconnection Request identified as needing the CETU to meet the interconnection standards prior to or at the Cluster Scoping Meeting.

4.2.3 Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1 Cluster Entry Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1.1 CRPS Completed Prior to Transitional Cluster Study For a CRPS that was completed prior to the start of the Transitional Cluster Study, and for which a CSIS has not commenced, all Interconnection Requests identified in the final CRPS report, by Queue Position as assigned in accordance with Section 4.1 of this SGIP, shall be eligible to elect to enter the Transitional Cluster Study under Section 5.1.1.2 of this SGIP. By the deadline to return the Transitional Cluster Study Agreement, an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to elect to enter the Transitional Cluster Study must, in writing:

1. withdraw the Interconnection Request, pursuant to Section 3.7; or
2. request to be included in the Transitional Cluster Study, meet the requirements specified in Section 5.1.1.2, (except for the Commercial Readiness Deposit) and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this SGIP. Such deposit shall be in cash.

If, by the deadline to submit the Transitional Cluster Study Agreement, Interconnection Customer fails to withdraw its Interconnection Request or request to be included in the Transitional Cluster Study and meet the requirements specified in this Section 4.2.3.1.1, then the Interconnection Request will be automatically withdrawn from the interconnection queue without further opportunity to cure. If Interconnection Customer elects option (2) above and does not meet all of the CSIS entry requirements specified in this Section 4.2.3.1.1 by the deadline to submit the Transitional Cluster Study Agreement, the Interconnection Request will be automatically withdrawn from the interconnection queue as of that date without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of an otherwise incomplete Transitional Cluster Study entry requirements submission, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

4.2.3.1.2 CRPS Initiated After the Transition Cluster Study All Interconnection Requests that, based on a final CRPS report that the System Operator has completed pursuant to Attachment K, reasonably expect to, or have been notified by System Operator that they need, the CETU and associated system upgrades identified in that final CRPS report must request to be included in the Cluster Study, meet the requirements specified in Section 5.1.1.2 (with the exception of the Commercial Readiness Deposit), and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this SGIP. Such deposit shall be required to be in cash. If Interconnection Customer does not meet all of the entry

requirements specified in this Section 4.2.3.1.2 by close of the Cluster Request Window, the Interconnection Request will be automatically withdrawn from the interconnection queue as of the Cluster Entry Deadline without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of the incomplete Interconnection Request, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

Where a CRPS under Attachment K has not been completed prior to the opening of a Cluster Entry Window, Interconnection Requests in the electrical part of the system subject to the CRPS will be eligible to participate in the next Cluster Study following completion of the CRPS.

4.2.3.2. CETU Participation Deposit for CETU Eligible Interconnection Requests. By the close of the Cluster Request Window, Interconnection Customer also must submit to the System Operator an initial CETU Participation Deposit equal to five (5) percent of Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CRPS report. If the System Operator subsequently identifies that an Internal ETU has met the requirements to take the place of a CETU, or portion thereof, pursuant to Section 5.1.1.2 and 7.3 of this ETU IP, the initial CETU Participation Deposit will be reduced to exclude the costs associated with the CETU, or portion thereof, that is being replaced by the Internal ETU, and Interconnection Customer shall be refunded the corresponding amount. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The initial CETU Participation Deposit will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this SGIP) to Interconnection Customer with an Interconnection Request that met the cluster entry requirements: (i) if the CETU is initially undersubscribed by more than ten (10) percent of the quantity of megawatts that the CETU developed through the CRPS was designed to enable and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, before the Cluster Study starts, (ii) if the CETU is initially oversubscribed as described in Section 4.2.3.3.2 of this SGIP (e.g., the CETU developed through the CRPS is designed to enable 1,000 MW and more than 1,000 MW meet the Cluster Study or Transitional Cluster Study entry requirements), in which case the CETU Participation Deposit will be refunded to Interconnection Customers with Interconnection Requests corresponding to the oversubscribed megawatt quantities, (iii) if the cost estimates for the CETU and the associated system upgrades provided in the final CRPS report for the entire cluster have increased by twenty-five (25) percent or more when compared to the cost estimates

provided in the draft Cluster Study report or the draft Transitional Cluster Study Report, draft Cluster Study or the draft Facilities Study Report and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within thirty (30) Calendar Days after receipt of the draft Transitional Cluster Study Report, draft Cluster Study Report or the draft Facilities Study Report in accordance with Sections 7.5 and 8.3 of this SGIP, respectively, (iv) if at the time Interconnection Customer with an Interconnection Request included in the CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this SGIP or (v) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue at any time after the Customer Engagement Window. The non-refundable CETU Participation Deposit shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.2.3.3 CETU Filling and Oversubscription.

For purposes of the Transitional Cluster Study, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area that the System Operator previously identified as needing the CETU identified in the final CRPS report and that met the Transitional Cluster Study entry requirements by the Cluster Request Window up to the approximate megawatt quantity identified in the final CRPS report as potentially enabled by the CETU. The Interconnection Requests will be included Transitional Cluster Study in queue order, based on the Queue Positions assigned in accordance with Section 4.1 of this SGIP, relative to other eligible Interconnection Requests. In the event that the CETU is filled and lower queued Interconnection Requests remain, such requests shall be withdrawn by System Operator, all remaining deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

For Cluster Studies, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area submitted during the next Cluster Request Window following the publication of the final CRPS report that the System Operator determines need the CETU identified in the final CRPS report and meet the Cluster Study entry requirements by close of the Cluster Entry Window

up to the approximate megawatt quantity identified in the final CRPS as potentially enabled by the CETU.

If the Interconnection Requests identified by the System Operator as needing the CETU identified in the final CRPS report that elect to enter the Cluster Study exceed the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report, the System Operator shall fill the CETU first with Interconnection Requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals. In the event that the CETU is filled and additional Interconnection Requests are not able to be included, such requests will not proceed into the Cluster Study, all deposits will be refunded, System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

4.2.4. Cluster Interconnection Facilities Study.

The following provisions shall only apply to Interconnection Customers that executed a CFAC prior to the effective date of this SGIP.

Notwithstanding any other provision in this SGIP, an Interconnection Customer with an Interconnection Request included in a completed CSIS will not be eligible to waive the, or request a separate, CFAC. All Interconnection Customers with an Interconnection Request included in a completed CSIS shall be studied together in the CFAC for the purpose of implementing the conclusions of the CSIS with respect to non-sole use facilities.

4.2.4.1 Cluster Interconnection Facilities Study Entry Requirements. An Interconnection Customer with an Interconnection Request that was included in a completed CSIS shall execute an Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator, together with the required technical data and refundable deposit for the Interconnection Facilities Study as specified in Section 8.1 of this SGIP.

4.2.4.2. Scope of Interconnection Facilities Study. The CFAC will be conducted in accordance with Sections 8.2 and 8.3 of this SGIP based on a +/- 20 percent good faith cost estimate.

4.2.4.3 Re-study of the Interconnection Facilities Study. In addition to the circumstances specified in Section 8.5 of this SGIP, a re-study of the CFAC is required due to the withdrawal of an Interconnection Request that had been included in the CFAC. A re-study of the CSIS and CFAC will be conducted to

determine if there are any changes in the upgrades identified during the CSIS and CFAC with the exception of the CETU identified in the final CRPS report, which shall remain configured consistent with the megawatt quantity(ies) considered in the final CRPS report.

4.2.4.4 Additional CETU Participation Deposit. Within thirty (30) Calendar Days after receipt of the final CFAC report in accordance with Section 8.3 of this SGIP, an Interconnection Customer with an Interconnection Request included in the CFAC shall submit to the System Operator an additional CETU Participation Deposit equal to five (5) percent of Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CFAC report. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The additional CETU Participation Deposit provided under this Section 4.2.4 will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this SGIP) to Interconnection Customer that submitted the additional CETU Participation Deposit (i) at the time Interconnection Customer with an Interconnection Request included in this CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this SGIP or (ii) if all Interconnection Requests included in the cluster withdraw from the interconnect queue.

Otherwise, the additional CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue. The non-refundable additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change. Interconnection Customer must notify the System Operator, in writing, of any transfers of Queue Position and must provide the System Operator with the transferee's contact information, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

4.4 Modifications.

Interconnection Customer shall submit to System Operator and Interconnecting Transmission Owner, in writing, modifications to any information provided in the Interconnection Request, including its attachments. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, ~~or~~ 4.4.4, or 7.5 of this SGIP or the predecessor rules under the SGIP, or are determined not to be Material Modifications pursuant to Section 4.4.2 of this SGIP. The System Operator will notify the Interconnecting Transmission Owner, and, when System Operator deems it appropriate in accordance with applicable codes of conduct and confidentiality requirements, it will notify any Affected Party or Internal Affected Party of such modifications.

A new Interconnection Request shall be required to: (1) increase the energy capability or capacity output of a Generating Facility above that specified in an Interconnection Request, an existing Interconnection Agreement (whether executed or filed in unexecuted form with the Commission), or as established pursuant to Section 5.2 of this SGIP; or (2) change from NR Interconnection Service to CNR Interconnection Service, at any time.

During the course of the Interconnection Studies, the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes do not constitute a Material Modification and are acceptable to the Parties, such acceptance not to be unreasonably withheld, System Operator and the Interconnecting Transmission Owner shall modify the Point of Interconnection prior to the completion of a Cluster Study and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the Cluster Study Agreement or Transitional 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 Small 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 SGIP) accomplished by applying System Operator-approved injection-limiting equipment proposed by Interconnection Customer and subject to review in the Interconnection System Impact Study;

(b) modifying the technical parameters associated with the Small Generating Facility technology or the Small Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

4.4.2 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.4, or 7.5 of this SGIP, Interconnection Customer may first request that the System Operator and Interconnecting Transmission Owner evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, the System Operator in consultation with the Interconnecting Transmission Owner, and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall evaluate, at Interconnection Customer's cost, the proposed modifications prior to making them and the System Operator will inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4.1 of this SGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.3 Interconnection Customer may request, and System Operator shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. System Operator must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to System Operator. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification that does not constitute a Material Modification and therefore is permitted under this Section 4.4 of this SGIP, the System Operator in consultation with the Interconnecting Transmission Owner and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the System Operator, Interconnecting Transmission

Owner, or Affected Party or Internal Affected Party commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.- Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to the Appendix 1 of this SGIP.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Small Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing, provided that the extension(s) do not exceed seven (7) years from the date the Interconnection Request was received by the System Operator. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an SGIA or requesting that the SGIA be filed unexecuted. After an SGIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the SGIA shall be used to calculate the permissible extension. Each cumulative extensions may not exceed three years including both extensions requested after execution of the SGIA by Interconnection Customer or the filing of an unexecuted SGIA by System Operator and those requested prior to execution of the SGIA by Interconnection Customer or the filing of an unexecuted SGIA by System Operator.

4.4.6 Extensions of three (3) or more cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Small Generating Facility to which the Interconnection Request relates or any extension of a duration that results in the Initial Synchronization Date exceeding the date the Interconnection Request was received by the System Operator by seven (7) or more years is a Material Modification unless Interconnection Customer demonstrates to the System Operator due diligence, including At-Risk Expenditures, in pursuit of permitting, licensing and construction of the Small Generating Facility to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in the Interconnection Request. Such demonstration shall be based on evidence to be provided by Interconnection Customer of accomplishments in permitting, licensing, and construction in an effort to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in this Interconnection Request. Such evidence may include filed documents, records of public hearings, governmental agency findings, documentation of actual construction progress or documentation acceptable to the System Operator showing At-Risk Expenditure made previously, including the previous four (4) months. If the evidence demonstrates that

Interconnection Customer did not undertake reasonable efforts to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date specified in the Interconnection Request, or demonstrates that reasonable efforts were not undertaken until four (4) months prior to the request for extension, the request for extension shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed Material Modification or proceed with a new Interconnection Request for such modification.

SECTION 5. PROCEDURES FOR TRANSITION.

5.1 Procedures for Transitioning to the Cluster Study Process

5.1.1 Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) shall retain that Queue Position subject to the requirements in Sections 5.1.1.1 and 5.1.1.2 of this SGIP. Any Interconnection Customer that fails to meet these entry requirements shall have its Interconnection Request deemed withdrawn by System Operator pursuant to Section 3.7 of this SGIP without further opportunity to cure. In such case, System Operator shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this section shall be tendered an SGIA pursuant to Section 11 of this SGIP, and shall not be required to enter this transition process.

System Operator shall not accept Interconnection Requests submitted after the thirty (30) Calendar Day period described in this section until the first Cluster Request Window opens.

5.1.1.1 Transitional Serial Study. An Interconnection Customer that has been tendered an Interconnection Facilities Study (Agreement (other than a CFAC Agreement) as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) may opt to proceed with an Interconnection Facilities Study or proceed directly to SGIA negotiations. System Operator shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of Appendix 6 to this SGIP, no later than the Commission-approved effective date of this SGIP. System Operator shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Serial Interconnection

Facilities Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this SGIP. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without further opportunity to cure and without penalty. System Operator must commence the Transitional Serial Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this SGIP.

All of the following must be included when an Interconnection Customer returns the Transitional Serial Interconnection Facilities Study Agreement:

- (1) A deposit equal to one hundred percent (100%) of the costs identified for Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trued up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual SGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 6.1 of the pro forma SGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled. The deposit shall be 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.
- (2) Exclusive Site Control for 100% of the proposed Generating Facility.
- (3) A study deposit in the amount of the greater of \$100,000 (for new NR Interconnection Service or CNR Interconnection Service requests), \$50,000 (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 or changes from existing NR Interconnection Service to CNR Interconnection Service) or estimated study costs

Interconnecting Transmission Owner or System Operator shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of the Commission-approved effective date of this SGIP.

After System Operator issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this SGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this SGIP).

5.1.1.2 Transitional Cluster Study

An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) may opt to proceed with a Transitional Cluster Study. System Operator shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 5 to this SGIP, no later than the Commission-approved effective date of this SGIP. System Operator shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1) – (4) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this SGIP. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty and with no further opportunity to cure. System Operator must commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrade costs shall be allocated in the manner described in Schedule 11 to the OATT. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this SGIP. Interconnection Customers for which the System Operator projects to complete the system impact studies between May 14, 2024 and August 30, 2024, shall be tendered a Transitional Cluster Study Agreement, in the form of Appendix 5 to this SGIP, no later than the Commission-approved effective date of this SGIP. However, if Interconnection Customer accepts the results of its system impact study on or before August 30, 2024, the

System Operator shall not include the Interconnection Request in the Transitional Cluster Study and instead tender a Small Generator Interconnection Agreement pursuant to Section 11 of this SGIP, and refund any deposits associated with participation in the Transitional Cluster Study.

Notwithstanding any other provision, an Interconnection Customer with a valid Queue Position prior to June 13, 2024 that includes a Commercial Operation Date earlier than April 28, 2028, may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than April 28, 2028.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

- (1) A selection of either Network Resource Interconnection Service or Capacity Network Resource Interconnection Service. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.
- (2) A deposit of five hundred thousand (\$500,000) 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, 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. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the SGIA. Any amounts in excess of the actual

construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 6.1 of the pro forma SGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled.

- (3) Exclusive Site Control for 100% of the proposed Generating Facility.
- (4) A study deposit in the amount of one-hundred thousand (\$100,000) for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and fifty-thousand (\$50,000) 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-Any unused balance of the study deposit associated with the Interconnection Request shall be applied toward the study deposit associated with the Transitional Cluster Study Agreement.
- (5) All technical data required under Appendix 1, Attachment A and Attachment A-1 (if applicable) of this SGIP to the extent Interconnection Customer has not already provided such data.

System Operator shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The Study Case for the Transitional Cluster Study shall include any CETU and associated system upgrades identified in a final CRPS Report prior to the opening of the Transitional Cluster Study, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from the Transitional Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Transitional Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal

ETU have indicated by the end of the deadline to submit the Transitional Cluster Study Agreement that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

The interim Transitional Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of Contingent Facilities
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Administered Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of the Commission-approved effective date of this SGIP, respectively, and shall be posted on System Operator's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this SGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After System Operator issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this SGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine

(9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this SGIP).

5.1.1.3 Transitional CNR Group Study.

In accordance with Section III.13.1.1.2.3A, System Operator shall conduct a Transitional CNR Group Study following the effective date of this SGIP. An Interconnection Customer with an assigned Queue Position as of May 1, 2024 may participate in the Transitional CNR Group Study, and consistent with Section II.48 of the Tariff, achieve CNR Interconnection Service. Any Interconnection Customer seeking to establish CNR Interconnection Service through this study must (1) have a valid Interconnection Request seeking CNR Interconnection Service, (2) submit a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process, (3) have not secured a Capacity Supply Obligation prior to September 4, 2024, (4) have a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before July 1, 2024, and 5) have a Commercial Operation Date prior to June 1, 2028.

System Operator shall conduct the study by performing an overlapping impacts analysis in the manner used for CNR Group Studies conducted prior to the effective date of this SGIP and as described in ISO Section III.13.1.1.2.3A and the ISO New England Planning Procedures. The Transitional CNR Group Study shall assure that Interconnection Customer's Small Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures.

Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in the Transitional CNR Group Study in order of submission/approval (the dates of submission shall be used for Interconnection Requests submitted to the System Operator and the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates). Interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates that have not yet received the System Operator's approval

for their Proposed Plan Applications under Section I.3.9 of the Tariff at the commencement of the Transitional CNR Group Study shall be included in the Transitional CNR Group Study after all Interconnection Requests submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and all interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff have been included in the Transitional CNR Group Study in order of submission to the Interconnecting Transmission Owners or their distribution company affiliates.

Where an Interconnection Customer with a CNR or CNI Interconnection Service Interconnection Request submits a Show of Interest Form to participate in the Transitional CNR Group Study, and identifies in that Show of Interest Form that one or more Elective Transmission Upgrade Interconnection Request(s) for an Internal ETU (with a completed Interconnection System Impact Study), that is not already included in the network model pursuant to Section III.12 of the Tariff supports its deliverability, the CNR or CNI Interconnection Request will be included in the Transitional CNR Group Study at the lowest of the CNR or CNI Interconnection Request's or its associated Elective Transmission Upgrade Interconnection Request(s) for the Internal ETU's Queue Position. Where multiple Interconnection Customers' CNR or CNI Interconnection Service Interconnection Requests are associated with the same lower Queue Position for an Elective Transmission Upgrade Interconnection Request for an Internal ETU in the CNR Group Study, the CNR Interconnection Request's Queue Position will be used as the tie breaker to dictate the relative order in which the CNR Interconnection Service Interconnection Request will be included in the CNR Group Study.

Any Interconnection Customer seeking to participate in the Transitional CNR Group Study that receives a qualification determination notification under Section III.13.1.1.2.8 of the Tariff, must provide, a Commercial Readiness Deposit of one million dollars (\$1,000,000) in the form of an irrevocable letter of credit, cash, or a combination thereof prior to the opening of the window to elect critical path schedule monitoring. Such deposit shall be refunded to Interconnection Customer: (a) upon the Generating Facility achieving Commercial Operation. If Interconnection Customer does not achieve Commercial Operation, System Operator shall refund the deposit to Interconnection Customer in accordance with Section 3.7 of this SGIP.

5.2 Grandfathering.

5.2.1 An Interconnection Customer's Generating Facility that is interconnected pursuant to an Interconnection Agreement executed or submitted to the Commission for approval prior to February 1, 2009, will maintain its status as a Network Resource with Network Resource Interconnection Service eligible to participate in the New England Markets, in accordance with the requirements of Market Rule 1, Section III of the Tariff, up to the megawatt amount specified in the Interconnection Agreement, subject to Interconnection Customer satisfying all requirements set forth in the Interconnection Agreement and this SGIP or the predecessor rules under the SGIP. If the Generating Facility does not meet the criteria set forth in Section 5.2.3 of this SGIP, Interconnection Customer will be eligible to make a one-time election, pursuant to Section 5.1.3, for Capacity Network Resource treatment without submitting a new Interconnection Request; however, Interconnection Customer will be required to comply with the requirements for CNR Interconnection Service set forth in Section 3.2.1. Upon completion of the requirements to obtain CNR Interconnection Service, Interconnection Customer's Interconnection Agreement shall be amended to conform to the SGIA in Appendix 11 of this SGIP.

5.2.2 An Interconnection Customer's Generating Facility governed by an Interconnection Agreement either executed or filed with the Commission in unexecuted form prior to August 1, 2008, shall maintain the Queue Position assigned as of August 1, 2008, and be eligible to participate in the New England Markets, in accordance with the requirements in Market Rule 1, Section III of the Tariff, as in effect as of August 1, 2008, so long as Interconnection Customer complies with all of the requirements specified in the Interconnection Agreement, including achieving the milestones associated with At-Risk Expenditures, subject to Section 4.4 of this SGIP.

5.2.3 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a CNR and obtain CNR Interconnection Service, in accordance with this SGIP, up to the CNR Capability of the resource. The grandfathered CNR Capability for these resources shall be equal to the megawatt amount established pursuant to the following hierarchy:

- (a) First, the megawatt amount specified in an Interconnection Agreement (whether executed or filed in unexecuted form with the Commission).

(b) Second, in the absence of an Interconnection Agreement with a specified megawatt amount, the megawatt amount specified in an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision).

(c) Third, in the absence of an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) with a specified megawatt amount, as determined by the System Operator based on documented historic capability of the Generating Facility.

Where a resource has both an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision), the lower megawatt amount will govern until the resource completes the applicable process(es) under the Tariff for obtaining the higher megawatt amount. The absence of an Interconnection Agreement or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) specifying a megawatt amount shall be confirmed by an affidavit executed by a corporate officer of the resource attesting that the resource does not have an Interconnection Agreement and/or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) that specifies a megawatt amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) specifies a megawatt amount at an ambient temperature consistent with the definition of CNR Capability, the grandfathered CNR Capability shall be equal to that amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of CNR Capability.

Where the implementation of this Section 5.2.3 results in a CNR Capability that is different than previously had been identified, the revised CNR Capability will be applied commencing with the next Forward Capacity Auction qualification process (after the revised CNR Capability value is identified), which is initiated by the closing deadline of the Show of Interest Submission Window in accordance with Section III.13 of the Tariff. The revised CNR Capability will continue to govern until the resource completes the applicable process(es) for obtaining the higher megawatt amount.

5.2.4 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a NR and obtain NR Interconnection Service, in accordance with this SGIP, up to the NR Capability of the resource. The grandfathered NR Capability shall be determined pursuant to the hierarchy set forth in Section 5.2.3.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) of a resource for which a temperature-adjustment curve is used for the claimed capability verification, as set forth in the ISO New England Manuals, specifies a megawatt amount at an ambient temperature, the grandfathered NR Capability shall be equal to a temperature-adjusted value consistent with the definition of NR Capability.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of NR Capability.

5.3 New System Operator or Interconnecting Transmission Owner.

If the System Operator transfers operational control of the New England Transmission System to a successor System Operator during the period when an Interconnection Request is pending, the System Operator shall transfer to the successor System Operator any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this SGIP shall be paid by or refunded to Interconnection Customer, as appropriate. The System Operator shall coordinate with the successor System Operator to complete any Interconnection Study, as appropriate, that the System Operator has begun but has not completed.

If the Interconnecting Transmission Owner transfers ownership of its transmission facilities to a successor transmission owner during the period when an Interconnection Request is pending, and System Operator in conjunction with Interconnecting Transmission Owner has tendered a draft SGIA to Interconnection Customer but Interconnection Customer has not either executed the SGIA or requested the filing of an unexecuted SGIA with the Commission, unless otherwise provided, Interconnection Customer must complete negotiations with the successor transmission owner.

SECTION 6. INTERCONNECTION INFORMATION ACCESS.

6.1 Publicly Posted Interconnection Information.

System Operator shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection on the Administered Transmission System under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the Administered Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Administered Transmission System with the transfer simulated from each point of interconnection to the whole Administered Transmission System footprint (to approximate Capacity Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

For Interconnection Requests that were identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff, prior to the effective date of this SGIP, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. Any difference between the study deposit and the actual cost of the Interconnection Feasibility Study or the actual costs incurred by the Interconnecting Transmission Owner in developing the costs estimates in support of the CRPS shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3.

6.2 Pre-Application for Small Generators

6.2.1 The System Operator shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from Interconnection Customer presenting a proposed project for a specific site. The names, telephone numbers, and e-mail addresses of the System Operator's contact employees or offices shall be made available on the System Operator's public web site. Electric system information provided to Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Administered Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The System Operator shall comply with reasonable requests for such information.

6.2.2 In addition to the information described in Section 6.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form to the System Operator along with a non-refundable fee of \$500 for a pre-application report on a proposed project at a specific site. Within two (2) Business Days of receiving the pre-application report request form, the System Operator shall provide a copy of the pre-application request form to the Interconnecting Transmission Owner. The System Operator in conjunction with the Interconnecting Transmission Owner shall provide the pre-application data described in Section 6.2.3 to Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$500 fee. The pre-application report produced by the System Operator in conjunction with the Interconnecting Transmission Owner is non-binding, does not confer any rights, and Interconnection Customer must still successfully apply to interconnect to the Administered Transmission System. The written pre-application report request form shall include the information in Sections 6.2.2.1 through 6.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

6.2.2.1 Project contact information, including name, address, phone number, and email address.

6.2.2.2 Project location (street address with nearby cross streets and town)

6.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

6.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

6.2.2.5 Size (alternating current kW)

6.2.2.6 Single or three phase generator configuration

6.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

6.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

6.2.3 Using the information provided in the pre-application report request form in Section 6.2.2., the System Operator in conjunction with the Interconnecting Transmission Owner will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. The selection by the System Operator in conjunction with the Interconnecting Transmission Owner does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. If the pre-application report request form seeks information about a Point of Interconnection that is on a distribution facility, Interconnection Customer shall follow the applicable state tariff, rules or procedures regarding generator interconnections. Subject to Section 6.2.4, the pre-application report will include the following information:

6.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.

6.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

6.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

6.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).

6.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

6.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.

6.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.

6.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load and absolute minimum load, when available.

6.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.

6.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

6.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.

6.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

6.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

6.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the System Operator or the Interconnecting Transmission Owner to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the System Operator in conjunction with the Interconnecting Transmission Owner cannot complete all or some of a pre-application report due to lack of available data, the System Operator in conjunction with the Interconnecting Transmission Owner shall provide Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to Section 6.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the System Operator in conjunction with the Interconnecting Transmission Owner shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

SECTION 7. CLUSTER STUDY.

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, System Operator and Interconnecting Transmission Owner shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 of this SGIP. The Cluster

Study Agreement shall require Interconnection Customer to compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Cluster Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the SGIA, pursuant to Section 13.3 of this SGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this SGIP shall be subject to change by System Operator and Interconnecting Transmission Owner following the conclusion of the Scoping Meeting.

7.2 Execution of the Cluster Study Agreement.

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to the System Operator no later than the close of the Customer Engagement Window.

In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the estimated costs of the Cluster Study that are expected to be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Cluster Study, including the study agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Cluster Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection System Impact Study. Costs of Cluster Studies shall be allocated to all Interconnection Customers on a 50% per capita, and 50% per MW basis. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

If at any time during the Cluster Study, including during the Customer Engagement Window, System Operator determines that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, including during the Customer Engagement Window that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, System Operator shall notify Interconnection Customer and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study

Agreement or required deposits. Failure to provide all required information within this period will result in automatic withdrawal of Interconnection Request from queue without the cure period provided under Section 3.7 of this SGIP).

7.3 Scope of Cluster Study.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability and operation of the New England Transmission System. The Cluster Study will consider the Base Case as well as all generating facilities and Elective Transmission Upgrades (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Affected Systems or Internal Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the New England Transmission System and may have an impact on the Interconnection Request; and (iv) have no Queue Position but have executed an Interconnection Agreement or requested that an unexecuted Interconnection Agreement be filed with the Commission (the “Study Case” for the Cluster Study). The Study Case shall also include any CETU and associated system upgrades identified in a final CRPS report prior to the opening of the Cluster Request Window, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from a Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the Customer Engagement Window that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall consider the level of Interconnection Service requested by Interconnection Customers in the Cluster. However, the Cluster Study shall consider the full Generating Facility capability to ensure the

acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system.

The Cluster Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, such as electromagnetic transient analysis, including thermal analysis and voltage analysis, a system protection analysis and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner, the results of which are documented in a single Cluster Study Report, as applicable. Interconnecting Transmission Owner(s) and Internal Affected Systems (if applicable) shall provide to System Operator, within thirty (30) days of a request, and for purposes of inclusion in the Cluster Study Report, non-binding good faith estimates of cost responsibility for required upgrades, and a non-binding good faith estimated times to construct such upgrades.

At the conclusion of the Cluster Study, System Operator and Interconnecting Transmission Owner shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based, state the results of the analyses, and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study report will provide (i) a list of Interconnection Facilities and Network Upgrades that are required to reliably interconnect the Generating Facilities in that Cluster Study and a non-binding good faith estimate of cost responsibility; (ii) a non-binding good faith estimated time to construct; (iii) a protection assessment to determine the required protection upgrades; and may provide (iv) an evaluation of the siting of the Interconnection Facilities and Network Upgrades; and (v) identification of the likely permitting and siting process including easements and environment work. The Cluster Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method described in Schedule 11, Section II of the Tariff. System Operator shall hold an open stakeholder meeting pursuant to Section 7.4 of this SGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures. These requests for Interconnection Service also may be subject to

other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. System Operator shall evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. System Operator shall include an explanation of the results of the System Operator's evaluation for each technology in the Cluster Study Report.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests within the Cluster and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Cluster Study Procedures.

The System Operator shall coordinate the Cluster Study with the Interconnecting Transmission Owner, and with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, that is affected by the Interconnection Request pursuant to Section 3.6 of this SGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and System Operator and Interconnecting Transmission Owner shall initiate the Cluster Study process pursuant to Section 7 of this SGIP.

The System Operator and Interconnecting Transmission Owner shall complete the Cluster Study within two hundred and seventy (270) Calendar Days of the close of the Customer Engagement Window. Within ten (10) Business Days of simultaneously issuing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, the System Operator shall convene a Cluster Study Report Meeting.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Cluster Study, the System Operator shall notify Interconnection Customer as to the schedule status of the Cluster Study. If the System Operator and Interconnecting Transmission Owner are unable to complete the Cluster Study within the time period, the System Operator shall notify Interconnection Customers and provide an estimated start date if the study has not commenced and completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customers all supporting documentation, workpapers and relevant Study Case power flow, short circuit and stability databases that have been developed for the Cluster Study to any third party consultant retained by Interconnection Customers. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customers.

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

- (a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this SGIP; and
- (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to System Operator five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. System Operator shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this SGIP.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this SGIP. Upon System Operator determining that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall notify Interconnection Customer. Within ten (10) Business Days of

such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to System Operator's approval, not to be unreasonably withheld. Absent such demonstration, System Operator shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this SGIP (without the cure period provided under Section 3.7 of this SGIP).

At the same time that Interconnection Customer submits the information required under this Section 7.5(1)(a) and (b), an Interconnection Customer may also request a decrease in the size of the Small Generating Facility, provided that the Cluster Study identified that the Small Generating Facility proposed in Interconnection Customer's Interconnection Request does not share any Network Upgrades with a Generating Facility or Elective Transmission Upgrade proposed in a separate Interconnection Request. If System Operator determines that a Cluster Restudy is required under this Section 7.5 of this SGIP, within ten (10) Business Days of that determination Interconnection Customer shall provide all required updated modeling and data associated with the requested decrease in the size of the Small Generating Facility for use in the Cluster Restudy. If the System Operator determines that a Cluster Restudy is not required, Interconnection Customer's request to decrease the size of the Small Generating Facility shall constitute a Material Modification pursuant to Section 4 of this SGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this SGIP after completion of the Cluster Study or Cluster Restudy, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this SGIP, [System Operator and Interconnecting Transmission Owner] shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If [System Operator and Interconnecting Transmission Owner] determine a Cluster Restudy is not necessary, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and System Operator shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this SGIP, and [System Operator and Interconnecting Transmission Owner] determine a Cluster Restudy is necessary as a result, System Operator shall notify Interconnection

Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. System Operator and Interconnecting Transmission Owner shall continue with such restudies until System Operator and Interconnecting Transmission Owner determine that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this SGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed SGIA's, or requested that unexecuted SGIA's be filed, and System Operator and Interconnecting Transmission Owner determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this SGIP, System Operator shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this SGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this SGIP. System Operator and Interconnecting Transmission Owner shall complete the Cluster Restudy within ninety (90) Calendar Days of the System Operator informing Interconnection Customers in the cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). System Operator shall hold a meeting with Interconnection Customers in the Cluster, Interconnecting Transmission Owners, and any Affected Party or Internal Affected party as deemed appropriate by the System Operator (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and System Operator and Interconnecting Transmission Owner shall follow the procedures of this Section 7.5 of this SGIP until such time that System Operator and Interconnecting Transmission Owner determine that no further restudies are required. System Operator shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Within twenty (20) Calendar Days following the Cluster Study Results Meeting, or Cluster Restudy Results Meeting (as appropriate) study results meeting, Interconnection Customer shall provide to the System Operator written notice that it will either pursue the Interconnection Facilities Study or waive the Interconnection Facilities Study and elect an expedited interconnection. Notwithstanding the foregoing

sentence, the option to waive the Interconnection Facilities Study is not available for Interconnection Customers that share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy unless each Interconnection Customer agrees in writing to waive the Interconnection Facilities Study. In a case where Interconnection Customers share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy and do not agree to waive the Interconnection Facilities Study, such study shall be performed at a level of +/- 20 percent. Once Interconnection Customer notifies the System Operator of its election, such election is not subject to change. If Interconnection Customer elects to pursue the Facilities Study it must proceed with the study. If Interconnection Customer waives the Facilities Study, it shall commit to the following milestones in the SGIA: (i) Siting approval for the Generating Facility and Interconnection Facilities; (ii) Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner; (iii) Ordering of long lead time material for Interconnection Facilities and system upgrades; (iv) Initial Synchronization Date; and (v) Commercial Operation Date.

7.6 Operational Readiness.

The System Operator shall, as close to Interconnection Customer's actual Synchronization Date as reasonably possible, ensure that operational analysis, including current stability analyses, power flow analyses, and any other analyses deemed necessary by the System Operator, are performed, and that procedures are developed or updated to address the operation of the New England Transmission System with the addition of Interconnection Customer's Generating Facility. The operational analysis will also include tests of system performance with selected facilities out of service. Such studies shall be performed at the expense of Interconnection Customer.

The System Operator is not obligated to perform the operational analyses described in this Section 7.7 if, in the exercise of reasonable discretion, the System Operator in consultation with Interconnecting Transmission Owner determines that interconnection of Interconnection Customer's Generating Facility to the Administered Transmission System is remote and speculative.

Commissioning tests of Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The System Operator and the Interconnecting Transmission Owner must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

SECTION 8. INTERCONNECTION FACILITIES STUDY.

8.1 Interconnection Facilities Study Agreement.

Except as otherwise provided in Section 4.2.4 and 7.5 of this SGIP, Interconnection Customer may waive the Interconnection Facilities Study and instead elect expedited interconnection, which means that Interconnection Customer may enter into E&P Agreements under Section 13.7 if it had not already done so, and shall enter into an SGIA in accordance with the requirements specified in Section 11.

If Interconnection Customer waives the Interconnection Facilities Study, Interconnection Customer, subject to the specific terms of the E&P Agreements, assumes all risks and shall pay all costs associated with equipment, engineering, procurement and construction work covered by the Cluster Study as described in Section 8.2 below.

Within five (5) Business Days following System Operator notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), the System Operator shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this SGIP.

Interconnection Customer shall compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Interconnection Facilities Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the SGIA. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a non-binding good faith estimate of the cost for completing the Interconnection Facilities Study in accordance with requirements specified in Section 8.3 of this SGIP. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator within thirty (30) Calendar Days after its receipt, together with:

(1) any required technical data;

(2) demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the System Operator in accordance with Section 3.4.2 of this SGIP;

(3) an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. In the case of a CETU-enabled Interconnection Request such deposit shall be made in cash.

System Operator/Interconnecting Transmission Owner shall refund the Commercial Readiness Deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this SGIP.

In accordance with Section 8.3, Interconnection Customer shall specify in Attachment A to the Interconnection Facilities Study Agreement whether it wants no more than a +/- 20 percent or a +/- 10 percent good faith cost estimate contained in the report. The deposit for the study shall be either: (i) the greater of twenty-five percent of the estimated cost of the study or \$100,000;

Any difference between the study deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the cost of the Interconnection Facilities Studies that will be, or have been incurred by the System Operator and/or the Interconnecting Transmission Owner for the Interconnection Facilities Study, the study agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Interconnection Facilities Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Facilities Study. For a CFAC that began before May 31, 2024, costs that are associated with an individual Interconnection Request assessed within the CFAC will be charged directly to that Interconnection Customer. CFAC costs that are associated with the CFAC as a whole will be divided equally, on a per-project basis, among Interconnection Customers in the cluster. The System Operator and the Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the

amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Administered Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study shall also identify any potential control technology for (1) requests for Interconnection Service at a level that is lower than the nameplate capability of the facility, and/or (2) or for Generating Facilities that include at least one electric storage resource, where study of the charging mode of the electric storage resource(s), was done using net shoulder system load as defined in the ISO New England Planning Procedures. The scope and cost of the Interconnection Facilities Study shall include completion of any engineering work limited to what is reasonably required to (i) estimate such aforementioned cost to the accuracy specified by Interconnection Customer pursuant to Section 8.3, (ii) identify, configurations of required facilities and (iii) identify time requirements for construction and installation of required facilities.

8.3 Interconnection Facilities Study Procedures.

The System Operator shall coordinate the Interconnection Facilities Study with Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, pursuant to Section 3.6 of this SGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The System Operator and Interconnecting Transmission Owner shall complete the study and the System Operator shall issue a draft Interconnection Facilities Study report to Interconnection Customer, Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed

appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- twenty percent (20%) good faith cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- ten percent (10%) good faith cost estimate. Such cost estimates either individually or in the aggregate will be provided in the final study report.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Interconnection Facilities Study, System Operator shall notify Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, as to the schedule status of the Interconnection Facilities Study. If the System Operator is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, the System Operator shall notify Interconnection Customer, Interconnecting Transmission Owner and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer and appropriate Affected Parties or Internal Affected Parties may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the System Operator and Interconnecting Transmission Owner, which the System Operator shall include in the final Interconnection Facilities Study Report. The System Operator shall issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The System Operator may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require the System Operator or Interconnecting Transmission Owner to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, or any third party consultant retained by Interconnection Customer supporting documentation, with workpapers, and

databases or data developed in the preparation of the Interconnection Facilities Study. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customer.

8.4 Meeting with Parties.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, the System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Interconnection Facilities Study.

8.5 Restudy.

If Restudy of the Interconnection Facilities Study is required due to (i) a higher or equally queued project withdrawing from the queue, (ii) a modification of a higher or equally queued project subject to Section 4.4 of this SGIP, or (iv) a modification to a transmission project included in the Base Case, the System Operator shall notify Interconnection Customer and Interconnecting Transmission Owner in writing. Each Restudy shall be conducted serially based on the Queue Position of each Interconnection Customer, and each Restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this SGIP in the case of withdrawing Interconnection Customer, any cost of Restudy shall be borne by Interconnection Customer being restudied. If the original Interconnection Facilities Study is complete and the final invoice has been issued, the Restudy shall be performed under a new Interconnection Facilities Study Agreement.

Section 9 Affected System Study.

9.1 Applicability.

This Section 9 outlines the duties of System Operator and Interconnecting Transmission Owner when they receive notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System.

9.2 Response to Notifications

9.2.1 Response to Initial Notification

When System Operator receives initial notification either following the Cluster Study or a Cluster Restudy notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System, System Operator must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after the System Operator responds with its affirmative intent to conduct an Affected System Study, System Operator shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy System Operator will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that System Operator intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If System Operator decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this SGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If System Operator decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this SGIP.

9.3 Affected System Queue Position.

System Operator must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the System Operator's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this SGIP, System Operator and Interconnecting Transmission Owner shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this SGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this SGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.

Unless otherwise agreed, System Operator shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 7 or Appendix 8 to this SGIP, as applicable, within ten (10) Business Days of System Operator sharing the schedule for the Affected System Study per Section 9.2.1 of this SGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate System Operator and Interconnecting Transmission Owner for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. System Operator shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to System Operator, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If System Operator notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this SGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, System Operator shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the New England Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected the New England Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may

have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an SGIA or requested that an unexecuted SGIA be filed with FERC. System Operator and Interconnecting Transmission Owner has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

System Operator shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. System Operator and Interconnecting Transmission Owner shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, System Operator and Interconnecting Transmission Owner shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If System Operator and Interconnecting Transmission Owner are unable to complete the Affected System Study within the requisite time period, it shall notify Affected System

Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. If System Operator and Interconnecting Transmission Owner do not meet the deadlines in this section, System Operator and Interconnecting Transmission Owner shall be subject to the financial penalties as described in Section 3.9 of this SGIP. Upon request, System Operator shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this SGIP.

System Operator and Interconnecting Transmission Owner must study an Affected System Interconnection Customer using the Energy Resource Interconnection Service modeling standard used for Interconnection Requests on the New England Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Results Meeting.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), System Operator, Interconnecting Transmission Owner and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

System Operator shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Schedule 11 of the OATT.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

System Operator shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 9 or 10 to this SGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the

Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. System Operator shall execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, System Operator shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

SECTION 10. OPTIONAL INTERCONNECTION STUDY.

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Cluster Study Report and no later than five (5) Business Days after the study results meeting to review the report, Interconnection Customer may request in writing, and the System Operator in coordination with the Interconnecting Transmission Owner shall perform, an Optional Interconnection Study. The request shall describe the assumptions that Interconnection Customer wishes the System Operator to study within the scope described in Section 10.2 of this SGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, the System Operator shall provide to the Interconnecting Transmission Owner and Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case, and (iii) specify the System Operator's and Interconnecting Transmission Owner's estimate of the cost of the Optional Interconnection Study. To the extent known by the System Operator, such estimate shall include any costs expected to be incurred by any Affected System or Internal Affected System whose participation is necessary to complete the

Optional Interconnection Study. The Optional Interconnection Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Optional Interconnection Study, including the cost of developing the study agreement and its attachment(s). Notwithstanding the above, the System Operator and Interconnecting Transmission Owner shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the required technical data and the refundable deposit for the Optional Interconnection Study to the System Operator. The deposit for the study shall be 100 percent of the estimated cost of the study. Any difference between the study deposit and the actual cost of the Optional Interconnection Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the costs of the Optional Interconnection Study that have been, or will be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Optional Interconnection Study and the study agreement and its attachments(s). Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposits until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The System Operator shall use Reasonable Efforts to coordinate the study with any Affected Systems and Internal Affected Systems that may be affected by the types of Interconnection Services that are being studied. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

The Optional Interconnection Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, including thermal analysis and voltage analysis, a system protection analysis, and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to the System Operator and Interconnecting Transmission Owner within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed-upon time period specified within the Optional Interconnection Study Agreement. If the System Operator and Interconnecting Transmission Owner are unable to complete the Optional Interconnection Study within such time period, the System Operator shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study to any third party consultant retained by Interconnection Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to Interconnection Customer.

10.4 Meeting with Parties.

Within ten (10) Business Days of providing an Optional Interconnection Study report to Interconnection Customer, System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Optional Interconnection Study.

10.5 Interconnection Agreement Developed Based on Optional Interconnection Study.

If the SGIA for a Small Generating Facility is based on the results of an Optional Interconnection Study, the SGIA shall reflect the conditions studied and any obligations that may involve: (i) additional studies if such conditions change, (ii) operational limits, or (iii) financial support for transmission upgrades.

SECTION 11. STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA).

11.1 Tender.

Interconnection Customer shall tender comments or provide notice, in writing, to the System Operator and Interconnecting Transmission Owner that Interconnection Customer has no comments on the draft Interconnection Facilities Study Report, within thirty (30) Calendar Days of receipt of the report. Except as provided in the E&P Agreement or any mutual agreement by the entities that would be Parties to the SGIA, the System Operator shall initiate the development of the SGIA process within fifteen (15) Calendar Days after the comments are submitted or waived, or within fifteen (15) Calendar Days of notifying System Operator that it will waive the Interconnection Facilities Study, by tendering to Interconnection Customer a draft SGIA, together with draft appendices completed by the System Operator, in conjunction with the Interconnecting Transmission Owner to the extent practicable. The draft SGIA shall be in the form of the System Operator's Commission-approved standard form SGIA, which is in Appendix 11 to Schedule 23. Interconnection Customer shall return Interconnection Customer specific information required to complete the form of SGIA, including the appendices, in Appendix 11 of Schedule 23 that Interconnection Customer is willing to execute within thirty (30) Calendar Days after receipt of the draft from the System Operator, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this SGIP has commenced, or (2) SGIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this SGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this SGIP, at the request of Interconnection Customer, the System Operator and Interconnecting Transmission Owner shall begin negotiations with Interconnection Customer concerning the appendices to the SGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement or after the Cluster Study and/or Cluster Restudy is complete if Interconnection Customer intends to waive the Interconnection Facilities Study. In the event that

Interconnection Customer waives the Interconnection Facilities Study and proceeds directly from the Cluster Study or Cluster Restudy to SGIA negotiation, Interconnection Customer shall an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%), as required by Section 8.1 of this SGIP, within thirty (30) Calendar Days of the Cluster Study Report Meeting or Cluster Restudy Report meeting (as applicable). The System Operator, Interconnection Customer, and Interconnecting Transmission Owner shall negotiate concerning any disputed provisions of the appendices to the draft SGIA for not more than sixty (60) Calendar Days after tender by the System Operator of the draft SGIA pursuant to Section 11 of this SGIP. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft SGIA pursuant to Section 11.1 of this SGIP and request submission of the unexecuted SGIA with the Commission or initiate Dispute Resolution procedures pursuant to Section 13.5 of this SGIP. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted SGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the SGIA, requested filing of an unexecuted SGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 of this SGIP within sixty (60) Calendar Days of tender of by the System Operator of the draft SGIA pursuant to Section 11.1, it shall be deemed to have withdrawn its Interconnection Request. The System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a final SGIA within fifteen (15) Business Days after the mutually agreed completion of the negotiation process.

11.2.1 Delay in SGIA Execution, or Filing Unexecuted, to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its SGIA (or request that its SGIA be filed unexecuted) pursuant to Section 11.1 of this SGIP, System Operator shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying SGIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to SGIA execution, or request unexecuted filing, without those results, it may notify System Operator of its intent to proceed with SGIA execution (or request that its SGIA be filed unexecuted) pursuant to Section 11.1 of this SGIP. If System Operator determines that further delay to the SGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued

interconnection customer, System Operator must notify Interconnection Customer of such impacts and set the deadline to execute the SGIA (or request that the SGIA be filed unexecuted) to thirty (30) Calendar Days after such notice is provided.

11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of SGIA.

11.3.1 Evidence to be Provided by Interconnection Customer.

11.3.1.1 Site Control and SGIA Deposit. Simultaneously with submitting the executed SGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer request that the SGIA be filed unexecuted at the Commission, Interconnection Customer shall provide (A) to the System Operator demonstration of continued Site Control pursuant to Section 8.1(2) of this SGIP; and (B) to the Interconnecting Transmission Owner, in a form acceptable to the Interconnecting Transmission Owner, the SGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft SGIA minus the total amount of Commercial Readiness Deposit that Interconnection Customer has provided to the System Operator for its Interconnection Request. Interconnecting Transmission Owner shall use SGIA Deposits as (or as a portion of) Interconnection Customer's security required under Article 6.3 of the SGIA. Interconnection Customer may not request to suspend its SGIA under Section 5.16 of the SGIP until Interconnection Customer has provided (A) to the System Operator and (B) to the Interconnecting Transmission Owner. If Interconnection Customer fails to provide (A) and (B) within the thirty (30) Calendar Days allowed for returning the executed SGIA and appendices under Section 11.1 of this SGIP, or within ten (10) Business Days after Interconnection Customer requests that the System Operator and Interconnecting Transmission Owner file the SGIA unexecuted at the Commission as allowed in this Section 11.3 of this SGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this SGIP.

11.3.1.2 Development Milestones. Simultaneously with submitting the executed SGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer requests that the SGIA be filed unexecuted, Interconnection Customer also shall provide to the System Operator reasonable evidence that one or more of the following milestones in the development of the Small Generating Facility, to be elected by Interconnection Customer, has been achieved (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Small Generating Facility; (ii) the execution of a contract for the supply of cooling water to

the Small Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Small Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Small Generating Facility; (v) application for an air, water, or land use permit. At the same time, Interconnection Customer shall commit to a schedule for the payment of upgrades identified in the Interconnection Studies or an E&P Agreement

Within fifteen (15) Business Days after receipt of the final SGIA, an Interconnection Customer with an Interconnection Request studied using the CSIS and CFAC processes where such studies were triggered prior to the effective date of this SGIP that provided the additional CETU Participation Deposit in accordance with Section 4.2.4.4 shall provide to the Interconnecting Transmission Owner, in cash, a potentially non-refundable deposit of twenty (20) percent of the total costs for the Interconnection Facilities and other upgrades, including any CETUs, identified in the CFAC, unless the Interconnecting Transmission Owner's expenditure schedule for the Interconnection Facilities and other upgrades calls for an initial payment of greater than twenty (20) percent of the total upgrade costs, in which case the scheduled initial payment must instead be made within the fifteenth Business Day after receipt of the final SGIA. If Interconnection Customer does not submit this deposit (or make the initial payment) by the fifteenth Business Day after receipt of the final SGIA, the Interconnection Request shall be automatically withdrawn from the interconnection queue without further opportunity to cure, and Interconnection Customer's initial and additional CETU Participation Deposits shall become non-refundable. The non-refundable initial and additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in the cluster at time the facilities proposed in the Interconnection Requests achieve Commercial Operation. If an Interconnection Request is withdrawn after Interconnection Customer's payment of twenty (20) percent of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner, then the payment shall be used to offset the costs of the CETU. Any unspent payments of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner will be refunded to the respective Interconnection Customers that executed the Interconnection Agreement and provided to the Interconnecting Transmission Owner the twenty (20) percent deposit (or initial payment) if all the associated Interconnection Requests are withdrawn from the interconnection queue and the associated Interconnection Agreements are terminated.

11.3.2 Execution and Filing of SGIA. Within fifteen (15) Business Days after receipt of the final SGIA, (i) Interconnection Customer and Interconnecting Transmission Owner shall execute three (3)

originals of the tendered SGIA and return them to the System Operator, who will send an original to Interconnecting Transmission Owner and Interconnection Customer; or (ii) Interconnection Customer shall request in writing that the System Operator and the Interconnecting Transmission Owner jointly file with the Commission an SGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered SGIA (if it does not conform with a Commission-approved standard form of interconnection agreement) or the request to file an unexecuted SGIA, the System Operator and Interconnecting Transmission Owner, in accordance with Section 11.3.3 or Section 11.3.4, as appropriate, shall jointly file the SGIA with the Commission, together with its explanation of any matters as to which the System Operator, Interconnection Customer or Interconnecting Transmission Owner disagree and support for the costs that the Interconnecting Transmission Owner proposes to charge to Interconnection Customer under the SGIA. An unexecuted SGIA should contain terms and conditions deemed appropriate by the System Operator and Interconnecting Transmission Owner for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted SGIA, they may proceed pending Commission action.

With respect to the interconnection of an Interconnection Customer under Schedule 23, the SGIA shall be a three-party agreement among the Interconnecting Transmission Owner, the System Operator and Interconnection Customer. If Interconnecting Transmission Owner, System Operator and Interconnection Customer agree to the terms and conditions of a specific SGIA, or any amendments to such an SGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file the executed SGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act. To the extent the Interconnecting Transmission Owner, System Operator and Interconnection Customer cannot agree to proposed variations from the standard form of SGIA in Appendix 11 or cannot otherwise agree to the terms and conditions of the SGIA for such small generating unit, or any amendments to such an SGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted SGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act and shall identify the areas of disagreement in such filing, provided that, in the event of disagreement on terms and conditions of the SGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of the Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets,

then the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on such terms and conditions.

11.3.3 The Interconnecting Transmission Owner, acting on its own or jointly with the System Operator, may initiate a filing to amend this SGIP and the standard form of SGIA in Appendix 11 under Section 205 of the Federal Power Act and shall include in such filing the views of System Operator, provided that the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on any financial obligations of the Interconnecting Transmission Owner or Interconnection Customer(s), and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final SGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall perform their respective obligations in accordance with the terms of the SGIA, subject to modification by the Commission. Upon submission of an unexecuted SGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall promptly comply with the unexecuted SGIA, subject to modification by the Commission.

SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES.

12.1 Schedule.

Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party shall negotiate in good faith concerning a schedule for the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General. In general, the Initial Synchronization Date of an Interconnection Customer seeking interconnection to the Administered Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer. An Interconnection Customer with an executed or unexecuted, but filed with the Commission, SGIA, in order to maintain its Initial Synchronization Date, may request that the Interconnecting Transmission Owner or appropriate Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such Initial Synchronization Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Administered Transmission System, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party; (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 5 of the SGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party has not refunded to Interconnection Customer. Payment by that entity with a contractual obligation to construct such Network Upgrades shall be due on the date that it would have been due had there been no request for advance construction. The Interconnecting Transmission Owner or appropriate Affected Party shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 5 of the SGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of the Regional System Plan of the System Operator. An Interconnection Customer with an SGIA, in order to maintain its Initial Synchronization Date, may request that Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such Initial Synchronization Date and (ii) would otherwise not be completed,

pursuant to the Regional System Plan, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party any associated expediting costs.

12.2.4 Amended Cluster Study. A Cluster Study Report will be amended to determine the facilities necessary to support the requested Initial Synchronization Date. This amended study report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested Initial Synchronization Date. The SGIA will also be amended to reflect the results of the amended Cluster Study and any changes in obligations, including financial support, of the Parties.

SECTION 13. MISCELLANEOUS.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information treated as confidential under the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by any of the Parties to the others prior to the execution of an SGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by any Party, the other Party(ies) shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving

Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the SGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the SGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

13.1.2 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party(ies). The disclosure by each Party to the other Party(ies) of Confidential Information shall not be deemed a waiver by any Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of the SGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the SGIP, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR. section

388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the SGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules, regulations and Section 13.1.

13.1.9 Subject to the exception in Section 13.1.8 of this SGIP, any information that a Party claims is competitively sensitive, commercial or financial information (“Confidential Information”) shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this SGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s(ies’) Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 The System Operator and Interconnecting Transmission Owner shall, at Interconnection Customer’s election, destroy, in a confidential manner, or return the Confidential Information provided at the time when Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

The System Operator and Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party may use the services of subcontractors as it deems appropriate to perform its obligations under this SGIP. The Party using the services of a subcontractor shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this SGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay System Operator and Interconnecting Transmission Owner the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the System Operator and the Interconnecting Transmission Owner shall charge, and Interconnection Customer shall pay, the actual costs of the Interconnection Studies.

Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customers or offset against the cost of any future Interconnection Studies associated with the applicable Cluster prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this SGIP.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 of this SGIP that the System Operator or Interconnecting Transmission Owner will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 of this SGIP within the applicable timeframe for such

Interconnection Study, then Interconnection Customer may request, which request will not be unreasonably denied, that the System Operator and Interconnecting Transmission Owner utilize a third party consultant reasonably acceptable to the System Operator, Interconnection Customer, Interconnecting Transmission Owner and any appropriate Affected Party or Internal Affected Party, to perform such Interconnection Study under the direction of the System Operator or Interconnecting Transmission Owner as applicable. At other times, System Operator or Interconnecting Transmission Owner may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 13.15 of the SGIA (Subcontractors) and limited to situations where the System Operator or Interconnecting Transmission Owner determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with the System Operator and Interconnecting Transmission Owner's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer, System Operator and Interconnecting Transmission Owner shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. The System Operator and Interconnecting Transmission Owner shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. In any case, such third party contract may be entered into with the System Operator, Interconnection Customer, or Interconnecting Transmission Owner at the System Operator and Interconnecting Transmission Owner's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this SGIP, Article 13.15 of the SGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if the System Operator and Interconnecting Transmission Owner were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes.

The System Operator and Interconnecting Transmission Owner shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with the SGIA, the SGIP, or their performance, such Party (the “Disputing Party”) shall provide the other Party(ies) with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s(ies’) receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, after thirty (30) Calendar Days, then (i) in the case of disputes arising out of or in conjunction with the SGIA, the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted SGIA, or amendment thereto, with the Commission in accordance with Section 11.3.4, or (ii) in the case of disputes arising out of or in connection with any other matter regarding the administration of the SGIP, the System Operator may terminate the Interconnection Request and Interconnection Customer may seek relief pursuant to Section 206 of the Federal Power Act. Each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Schedule 23.

13.5.2 External Arbitration Procedures. Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial

Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons for such decision. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the SGIA and SGIP and shall have no power to modify or change any provision of the SGIA and SGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one-third of any associated arbitration costs; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties and one-third of any associated arbitration costs.

13.5.5 Non-binding Dispute Resolution Procedures. If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 of this SGIP, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that the other Parties engage in Non-binding Dispute Resolution pursuant to this Section 13.5.5 by providing written notice to the other Parties (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section 13.5.5 without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in this Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, System Operator must within thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships

with the Parties. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the SGIP and SGIA and shall have no power to modify or change any provision of the SGIP and SGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration, or in a Federal Power Act Section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Facilities Financed by Local Furnishing Bonds. This provision is applicable only to interconnections associated with facilities financed for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this SGIA and SGIP, the Interconnecting Transmission Owner shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this SGIA and SGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Interconnecting Transmission Owner's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service. If the Interconnecting Transmission Owner determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise Interconnection Customer within thirty (30) Calendar Days of receiving notice of the Interconnection Request. Interconnection Customer thereafter may renew its Interconnection Request using the process specified in the Tariff.

13.7 Engineering & Procurement (“E&P”) Agreement

Prior to executing an SGIA, an Interconnection Customer may request, in order to advance the implementation of its interconnection, and the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party shall offer Interconnection Customer, an E&P Agreement that authorizes the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Interconnecting Transmission Owner or any Affected Party or Internal Affected Party shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the SGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer’s Queue Position or Initial Synchronization Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer, including a deposit of 100 percent of the estimated engineering and study costs, and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or an E&P Agreement is terminated by any Party, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the Interconnecting Transmission Owner or the Affected Party or Internal Affected Party that is a party to an E&P Agreement may elect: (i) to take title to the equipment, in which event the Interconnecting Transmission Owner or relevant Affected Party or Internal Affected Party shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

APPENDICES TO SGIP [TOC TO BE UPDATED]

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY
AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 11 STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

APPENDIX 1
INTERCONNECTION REQUEST

The undersigned Interconnection Customer submits this request to interconnect its Small Generating Facility to the Administered Transmission System under Schedule 23 - Small Generator Interconnection Procedures (“SGIP”) of the ISO New England Inc. Open Access Transmission Tariff (the “Tariff”). Capitalized terms have the meanings specified in the Tariff.

PROJECT INFORMATION

Proposed Project Name: _____

1. This Interconnection Request is for (check one):

- _____ **A proposed new Small Generating Facility**
- _____ An increase in the generating capacity or a modification that has the potential to be a Material Modification of an existing Generating Facility
- _____ Commencement of participation in the wholesale markets by an existing Generating Facility
- _____ A change from Network Resource Interconnection Service to Capacity Network Resource Interconnection Service

2. The types of Interconnection Service requested:

- _____ **Network Resource Interconnection Service (energy capability only)**
- _____ **Capacity Network Resource Interconnection Service (energy capability and capacity capability)**
- ☐ **Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing**

3. Interconnection Customer shall provide the following information:

Address or Location of the Facility (including Town/City, County and State):

Requested Point of Interconnection:

Type of Generating Facility to be Constructed:_____

Will the Generating Facility include electric storage capacity? Yes___No___

Will the electric storage device charge from the Administered Transmission System? Yes ___No ___

If yes, describe the electric storage device and specifications to include aggregate charging capability measured at the POI and the associated aggregate reactive capability measured at the high side of the main transformer:

Primary frequency response operating range for electric storage resources:

Generating Facility Fuel Type:

Generating Facility Capacity (MW):

Temperatures¹	Maximum Gross MW Electrical Output²	Maximum Net MW Electrical Output³	Net MW Capability at the Point of Interconnection⁴
At or above 90 degrees F			
At or above 50 degrees F			
At or above 20 degrees F			
At or above 0 degrees F			

Requested Interconnection Service (in MW) :

Service Level⁵			Requested Net MW Capability at the Point of Interconnection⁴
CNR Capability Summer			
NR Capability Summer			
CNR Capability Winter			
NR Capability Winter			

Notes:

¹ In each row, insert all values corresponding to the given temperature, or a temperature greater than the given temperature, at which aggregate maximum gross output of the Generating Facility would be the highest. For example, if the aggregate maximum gross Generating Facility output occurs at 12 degrees F, all values in the “At or above 0 degrees F” row shall correspond to the 12 degrees F operating condition.

² Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility.

³ Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility less any station service at each generating unit’s terminal(s) or inverter/converter terminal(s), as applicable.

⁴ Measured at Interconnection Customer’s proposed Point of Interconnection. The values correspond to the requested levels of Interconnection Service pursuant to Section 3.1 of the SGIP. The values account for any station service, losses incurred in Interconnection Facilities, station or generator step up

transformers, and any other auxiliary systems. After the Interconnection Request is deemed valid, any increases to these values shall be subject to a new, separate Interconnection Request.

⁵ As described in Section II.48.1 for CNR Capability and Section II.48.2 for NR Capability.

General description of the equipment configuration, including any proposed control technologies to restrict the Small Generating Facility's output to the requested Interconnection Service levels, if applicable (# of units and GSUs):

Requested Commercial Operation Date:

Requested Initial Synchronization Date:

Requested In-Service Date:

Evidence of Site Control (check one):

☐ 100% exclusive Site Control in Interconnection Customer's name is provided herewith.

☐ In lieu of evidence of Site Control,

☐ a \$10,000/MW deposit subject to a minimum of \$50,000 and a maximum of \$200,000 is provided (refundable within the cure period as described in Section 3.4.3 of the SGIP), and.

☐ a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations, and

☐ documentation sufficiently describing and explaining the source and effects of such regulatory limitations

☐ Site Control is not provided because the proposed modification is to Interconnection Customer's existing Small Generating Facility and, by checking this option,

Interconnection Customer certifies that it has Site Control and that the proposed modification does not require additional real property.

The ISO will post the Project Information on the ISO web site under “Interconnection Service” and the Interconnection Request Tracking Tool or IRTT.

CUSTOMER INFORMATION

Company Name: _____

ISO Customer ID#: _____

(Interconnection Customer)

Company Address: **PO Box No.:** _____

Street Address: _____

City, State ZIP: _____

Company Representative: **Name:** _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ **FAX:** _____ **email:** _____

This Interconnection Request is submitted by:

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

In order for an Interconnection Request to be considered a valid request, it must include:

- (a) Be accompanied by all required deposits provided electronically and may be refundable in accordance with Section 3.4.2 of the SGIP;*
- (b) Required Cluster Study Deposit and may be refundable in accordance with Section 3.4.2 of the SGIP that is provided electronically;*
- (c) Commercial Readiness Deposit and may be refundable in accordance with Section 3.4.2 of the SGIP;*
- (d) For CNR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv). If for NR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv) or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$50,000 and a maximum of \$200,000. An Interconnection Customer does not need to demonstrate Site Control for an Interconnection Request for a modification to its existing Small Generating Facility where Interconnection Customer has certified that it has Site Control and that the proposed modification does not require additional real property). Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;*

- (e) Include a detailed map, such as a map of the quality produced by the U.S. Geological Survey, which clearly indicates the site of the new facility and pertinent surrounding structures.; and*
- (f) Include all information required on the Interconnection Request form and attachments thereto.*

The Interconnection Request and attachments thereto must be submitted to the System Operator via the Interconnection Request Tracking Tool or IRTT, a web-based application for submitting, tracking and viewing Interconnection Requests available on the ISO New England website.

Attachment A to Appendix 1
Interconnection Request
Technical Data Required For Cluster Study

The technical data required below must be inputted directly into IRTT and submitted with the Interconnection Request pursuant to Section 3.4.2 of the SGIP.

SMALL GENERATING FACILITY DATA

UNIT RATINGS

Kva	°F	Voltage
Power Factor		
Speed (RPM)		Connection (e.g. Wye)
Short Circuit Ratio		Frequency, Hertz
Stator Amperes at Rated Kva		Field Volts
Max Turbine MW	°F	

Primary frequency response operating range for electric storage resources:

Minimum State of Charge:

Maximum State of Charge:

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 90 ° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

Attachment A (page 2)

To Appendix 1

Interconnection Request

Technical Data Required For

Cluster Study

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 50° OR ABOVE

Gross Unit Rating (MW)

Gross Lagging (MVAR)

Net Unit Rating (MW)

Gross Leading (MVAR)

Station Service (MW)

Station Service (MVAR)

Temperature (°F)

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 20° OR ABOVE

Gross Unit Rating (MW)

Gross Lagging (MVAR)

Net Unit Rating (MW)

Gross Leading (MVAR)

Station Service (MW)

Station Service (MVAR)

Temperature (°F)

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 0° OR ABOVE

Gross Unit Rating (MW)

Gross Lagging (MVAR)

Net Unit Rating (MW)

Gross Leading (MVAR)

Station Service (MW)

Station Service (MVAR)

Temperature (°F)

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	=	kW sec/kVA
Moment-of-Inertia, WR ²	=	lb. ft. ²

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS	QUADRATURE AXIS
Synchronous – saturated	X _{dv}	X _{qv}
Synchronous – unsaturated	X _{di}	X _{qi}
Transient – saturated	X' _{dv}	X' _{qv}
Transient – unsaturated	X' _{di}	X' _{qi}
Subtransient – saturated	X'' _{dv}	X'' _{qv}
Subtransient – unsaturated	X'' _{di}	X'' _{qi}
Negative Sequence – saturated	X _{2v}	
Negative Sequence – unsaturated	X _{2i}	

FIELD TIME CONSTANT DATA (SEC)

Zero Sequence – saturated	X _{0v}	
Zero Sequence – unsaturated	X _{0i}	
Leakage Reactance	X _{lm}	
Open Circuit	T' _{qo}	T' _{do}
Three-Phase Short Circuit Transient	T' _{d3}	T' _q
Line to Line Short Circuit Transient	T' _{d2}	
Line to Neutral Short Circuit Transient	T' _{d1}	
Short Circuit Subtransient	T'' _d	T'' _q
Open Circuit Subtransient	T'' _{do}	T'' _{qo}

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T _{a3}
Line to Line Short Circuit	T _{a2}
Line to Neutral Short Circuit	T _{a1}

NOTE: If requested information is not applicable, indicate by marking “N/A.”

MW CAPABILITY AND PLANT CONFIGURATION
SMALL GENERATING FACILITY DATA
ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1	
Negative	R2	
Zero	R0	
Rotor Short Time Thermal Capacity I^2t	=	
Field Current at Rated kVA, Armature Voltage and PF	=	amps
Field Current at Rated kVA and Armature Voltage, 0 PF	=	amps
Three Phase Armature Winding Capacitance	=	microfarad
Field Winding Resistance	=	ohms °C
Armature Winding Resistance (Per Phase)	=	ohms °C

CURVES

As applicable, provide Saturation, Vee, Capacity Temperature Correction curves. A Reactive Capability is required for all Large Generating Facilities. As applicable, designate normal and emergency Hydrogen Pressure operating range for multiple curves.

MODELS FOR NON-SYNCHRONOUS GENERATORS

Models that meet the requirements of ISO New England Planning Procedures :

1. an appropriately parameterized library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, that corresponds to Interconnection Customer's Small Generating Facility, and,
2. a validated user-defined model where one exists for the equipment (i.e. where the manufacturer attests that a library model may fully capture the behavior of the equipment). The user model will only be used for the fuller understanding of equipment behavior and will not be used to finalize the upgrade requirements in the Cluster Study and will not be added to base cases going forward.
3. A validated electromagnetic transient model

Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection

Customer that the model accurately represents the entire Small Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Small Generating Facility; or test data).

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity	Self-cooled/Maximum Nameplate / Kva
Voltage Ratio	Generator side/System side/Tertiary / kV
Winding Connections	Generator side/System Side/Tertiary (Delta or Wye) /

Fixed Taps Available

Present Tap Setting

IMPEDANCE

Positive	Z1 (on self-cooled kVA rating)	%	X/R
Zero	Z0 (on self-cooled kVA rating)	%	X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (“PSS”) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND AND INVERTER-BASED GENERATORS

A completed Attachment A-1 Supplementary Wind and Inverter-Based Generating Facility Form to this Attachment A, must be supplied for all Interconnection Requests for wind and inverter-based Generating Facilities.

INDUCTION GENERATORS:

(*) Field Volts:

(*) Field Amperes:

(*) Motoring Power (kW):

(*) Neutral Grounding Resistor (If Applicable):

(*) I_2^2t or K (Heating Time Constant):

(*) Rotor Resistance:

(*) Stator Resistance:

(*) Stator Reactance:

(*) Rotor Reactance:

(*) Magnetizing Reactance:

(*) Short Circuit Reactance:

(*) Exciting Current:

(*) Temperature Rise:

(*) Frame Size:

(*) Design Letter:

(*) Reactive Power Required In Vars (No Load):

(*) Reactive Power Required In Vars (Full Load):

(*) Total Rotating Inertia, H: Per Unit on KVA Base

Note: Please consult System Operator prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Attachment A to the Interconnection Request is true and accurate.

For Interconnection Customer:_____Date:_____

Attachment A-1
To Attachment A of Appendix 1
Supplementary Wind
and Inverter-Based
Generating Facility Form

**SUPPLEMENTARY WIND AND INVERTER-BASED GENERATING FACILITY AND
INTERCONNECTION FACILITIES DATA FORM**

- a) Attach a Geographic Map Demonstrating the Project Layout and its Interconnection to the Power Grid. (Specify the name of the attachment here)
- b) Attach a Bus-Breaker Based One-line Diagram (The diagram should include each of the individual unit generators, generator number, HVDC rating and terminal voltage.) (Specify the name of the attachment here)

i. Collection system detail impedance sheet

If a collector system is used, attach a collector system data sheet in accordance with the one-line diagram attached above. The data sheet should include: the type, length Z_0 , Z_1 and X_c/B of each circuit (feeder and collector string).

Specify the name of the attachment here: _____

ii. Collection system aggregate (equivalent) model data sheet

Attach an aggregate (equivalent) collection system data sheet. The data table should include: the type, length, Z_0 , Z_1 and X_c/B of the equivalent circuits (feeders and collector strings).

Specify the name of the attachment here: _____

- c) Summary of the Unit Models in the wind or inverter-based Generating Facility (*List all different unit models in the facility*)

Manufacturer Model	Type of this WTG* (if applicable)	Generator Unit Numbers in the field	Number(s) of these Units	Maximum Output of this Unit (MW)	Total MW

* Type 1 – Cage rotor induction generators

Type 2 – Induction generators with variable rotor resistance

Type 3 – Doubly-fed asynchronous generators with rotor-side converter

Type 4 – Full-power converter interface

Repeat the following sections from 4 to 12 for each different unit model.

d) Unit Detail Information

Unit Manufacturer Model	
Terminal Voltage	
Rating of Each Unit (MVA)	
Maximum Gross Electrical Output (MW)	
Minimum Gross Electrical Output (MW)	
Lagging Reactive Power Limit at Rated Real Power Output (MVAR)	
Leading Reactive Power Limit at Rated Real Power Output (MVAR)	
Lagging Reactive Power Limit at Zero Real Power Output (MVAR)	
Leading Reactive Power Limit at Zero Real Power Output (MVAR)	
Station Service Load (MW, MVAR)	
Minimum short circuit ratio (SCR) requirement by manufacturer	
On which bus the minimum SCR is required by manufacturer	
What voltage level the minimum SCR is required by manufacturer	
Positive sequence Xsource	
Zero sequence Xsource	

e) Unit GSU – _____

Nameplate rating (MVA)	
Total number of the GSUs	
Voltages, generator side/system side	
Winding connections, low voltage/high voltage	
Available tap positions on high voltage side	
Available tap positions on low voltage side	
Will the GSU operate as an LTC?	
Desired voltage control range if LTC	
Tap adjustment time (Tap switching delay + switching time) if LTC	
Desired tap position if applicable	
Impedance, Z1, X/R ratio	
Impedance, Z0, X/R ratio	

f) Low Voltage Ride Through (LVRT) – _____(*Specify the Manufacturer Model of this Unit*)

Does each Unit have LVRT capability?

Yes___ No___

If yes, please provide:

i. Unit LVRT mode activation and release condition:

When operating at maximum real power, what is the Unit terminal voltage for LVRT mode activation? _____

When operating at maximum real power, what is the Unit terminal voltage for releasing LVRT mode after it is activated? _____

If there is different LVRT activation and release logic, please state here _____

- ii. A wind or other inverter-based generating facility technical manual from the manufacturer including description of LVRT functionality:

Attach the file and specify the name of the attachment here:

- iii. Does the wind or other inverter-based generating facility technical manual attached above include a reactive power capability curve?

Yes__ No__

If no, attach the file and specify the name of the attachment here:

- g) Low Voltage Protection (considering LVRT functionality)

(Specify the Manufacturer Model of this Unit)

Low Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

- h) High Voltage Protection - _____(Specify the Manufacturer Model of this Unit)

High Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

- i) Low Frequency Protection - _____(Specify the Manufacturer Model of this Unit)

Low Frequency Setting (Hz)	Relay Pickup Time (Seconds)
----------------------------	-----------------------------

*Add more rows in the table as needed

j) High Frequency Protection - _____(Specify the Manufacturer Model of this Unit

High Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

Please make sure the settings in sections 7 through 10 comply with NERC and NPCC standards for generator protection relays.

k) Unit Reactive Power Control - ____ (Specify the Manufacturer Model of this Unit)

i. What are the options for the Unit reactive power control (check all available)?

- ____Control the voltage at the Unit terminal
- ____Control constant power factor at the Unit terminal
- ____Control constant power factor at the low side of the station main transformer
- ____Control constant power factor at the high side of the station main transformer
- ____Control voltage at the low side of the station main transformer
- ____Control voltage at the high side of the station main transformer
- ____Other options. Please describe if select others_____

ii. In all the control options selected above, please list the options in which the Unit is able to control its terminal voltage to prevent low/high voltage tripping.

- iii. What is the desired control mode from the selected options above? Specify the control plan in this mode. For example: control voltage at which bus to what schedule.

**WIND OR INVERTER-BASED GENERATING FACILITY AND INTERCONNECTION
FACILITIES MODELS**

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

A. Power flow model

- i. A *.RAW file including **aggregated/equivalent** wind or inverter-based generating facility and HVDC, if applicable, power flow model with appropriate parameters and settings.

*Attach the *.RAW file and specify the name of the attachment(s) here:*

- ii. A *.RAW file including **detailed** wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, power flow model with appropriate parameters and settings.

*Attach the *.RAW file and specify the name of the attachment(s) here:*

B. Dynamic simulation model(s)

(Please note that the dynamic model(s) must match the aggregated/equivalent power flow model(s) provided above. Attach the following information for each of the models.)

1. Wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, Model(s)
_____ (Please Specify the Manufacturer Model(s))
2. A compiled PSS/E dynamic model for the Generating Facility and Interconnection Facilities, if necessary (a *.LIB or *.OBJ file)

*Attach the *.LIB or *.OBJ file(s) and specify the name(s) of the attachment(s) here:*

3. A dynamic data file with appropriate parameters and settings for the Generating Facility and Interconnection Facilities, if applicable, (typically a *.DYR file)

Attach the *.DYR file(s) and specify the name(s) of the attachment(s) here:

4. PSS/E wind or inverter-based Generating Facility model user manual for the Generating Facility and Interconnection Facilities

Attach and specify the name of the attachment here:

Repeat the above sections for each different wind or inverter-based generating facility model.

C. Power Plant Controller

For wind or inverter-based Generating Facility, will PPC have the ability to centrally control the output of the units? Yes___ No___

1. Manufacturer model of the power plant controller

2. What are the reactive power control strategy options of the power plant controller?
3. Which of the control options stated above is being used in current operation?

4. Is the power plant controller able to control the unit terminal voltages to prevent low/high voltage tripping?

Yes___ No___

Please provide the park controller technical manual from the manufacturer

Attach the file and specify the name of the attachment here:

D. Station Transformer

Transformer Name		
Nameplate ratings (MVA)		
Total number of the main transformer(s)		
Voltage, High/Low/Tertiary (kV)		
Winding connections, High/Low Tertiary		
Available tap positions on high voltage side		
Available tap positions on low voltage side		
Will the transformer operate as a LTC?		
Desired voltage control range if LTC		
Tap adjustment time (Tap switching delay + switching time) if LTC		
Desired tap position if applicable		
Tap adjustment time (Tap switching delay + switching time)		
Impedance Z_1 , X/R ratio	Z_{1H-L}	X/R
	Z_{1H-T}	X/R
	Z_{1T-L}	X/R
Impedance Z_0 , X/R ratio	Z_{0H-L}	X/R
	Z_{0H-T}	X/R
	Z_{0T-L}	X/R

E. Dynamic Simulation Model for the Power Plant Controller(s)

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

1. A compiled PSS/E dynamic model for the power plant controller(s) (a *.LIB or *.OBJ file)

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

2. A dynamic data file with appropriate parameters and settings for the power plant controller(s) (typically a *.DYR file).

Attach the *.DYZ file and specify the name of the attachment here:

3. PSS/E model user manual for the power plant controller(s)

Attach the manual and specify the name of the attachment or specify the name of the attachment here:_____

F. Capacitors and Reactors

Please provide necessary modeling data for all the capacitors and reactors that are part of the Interconnection Facilities, including: size, basic electrical parameters, connecting bus, switched or fixed, etc.

G. Dynamic Device(s)

(All model files provided under this section 17 should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England standard library models in PSS/E or applicable applications.)

1. Provide necessary modeling data file for all the dynamic devices belong to the facility.

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

2. A dynamic data file containing the parameters for the units (typically a *.DYZ file).

Set the parameters in accordance with the desired control mode.

Attach the *.DYZ file and specify the name of the attachment here:

H. Collection System/Transformer Tap-Setting Design

Attach a collection system/transformer tap-setting design calculations, consistent with the requirements in the ISO New England Planning Procedures, that identify the calculations to support the proposed tap settings for the unit step-up transformers and the station step-up transformers.

Attached the design document and specify the name of the attachment here:

- I. Provide PSCAD Model and documentation for the wind or inverter-based Generating Facility, the Power Plant Controller(s) and Other Dynamic Devices or HVDC.

CLUSTER SYSTEM IMPACT STUDY APPLICATION FORM

The undersigned Interconnection Customer submits this form to request the inclusion of the Interconnection Request for its Small Generating Facility in a Cluster Interconnection System Impact Study pursuant to Section 4.2.3.2.2 of this SGIP.

To be included in a Cluster Interconnection System Impact Study, the following must be submitted together with this form to the System Operator by the Cluster Entry Deadline:

1. Project Information:

a. Project Name: _____

(a) Queue Position: _____

(b) Is the Interconnection Request contractually associated with an Interconnection Request for an Elective Transmission Upgrade? Yes ____ No ____

If yes, identify Queue Position of the associated Interconnection Request and provide evidence of the contractual commitment. Queue Position No.: ____

2. Initial CETU Participation Deposit as specified in Section 4.2.3.2.2

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

For Interconnection Customer: _____ Date: _____

SURPLUS INTERCONNECTION SERVICE REQUEST APPLICATION

The Surplus Interconnection Customer submits this application to request Surplus Interconnection Service pursuant to Section 3.3 of this SGIP.

SURPLUS INTERCONNECTION CUSTOMER AND ORIGINAL INTERCONNECTION CUSTOMER INFORMATION

Surplus Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Attachment C (page 2)
To Appendix 1
Surplus Interconnection Service
Request Application

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ E-mail: _____

Original Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Attachment C (page 3)
To Appendix 1
Surplus Interconnection Service
Request Application

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ email: _____

PROJECT INFORMATION

Description of the Original Interconnection Customer's existing, commercial Small Generating Facility:

Description of the Surplus Interconnection Customer's Generating Facility:

Select Type of Interconnection Service for the Surplus Interconnection Customer's Generating Facility:

☐ CNR Interconnection Service

☐ NR Interconnection Service

Specify the amount of Unused Capability at the corresponding CNR Interconnection Service or NR Interconnection Service available for the Surplus Interconnection Customer's Generating Facility:

Attachment C (page 4)
To Appendix 1
Surplus Interconnection Service
Request Application

Requested Commercial Operations Date for the Surplus Interconnection Customer's Generating Facility:

Requested Initial Synchronization Date for the Surplus Interconnection Customer's Generating Facility:

Requested In-Service Date for the Surplus Interconnection Customer's Generating Facility:

To request Surplus Interconnection Service, the Surplus Interconnection Customer shall provide the following, together with this Surplus Interconnection Service Request Application:

- 11** The Original Interconnection Customer's written consent for the Surplus Interconnection Customer's Generating Facility to use Unused Capability associated with Interconnection Service established under the Interconnection Agreement for the Original Interconnection Customer's Generating Facility, together with a copy of that Interconnection Agreement;
- 12** A detailed description of the Original Interconnection Customer's Generating Facility and the Surplus Interconnection Customer's Generating Facility and their respective Interconnection Facilities and existing Point of Interconnection and Point of Change of Ownership, together with a completed Attachment A and Attachment A-1, as applicable, to Appendix 1 of this SGIP, including a site electrical one-line diagram reflecting both the Original Interconnection Customer's Generating Facility and the proposed Surplus Interconnection Customer's Generating Facility and a plot plan; and
- 13** Site Control for the Surplus Interconnection Customer's Generating Facility.

Attachment C (page 5)
To Appendix 1
Surplus Interconnection Service
Request Application

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Original Interconnection Customer or the Surplus Interconnection Customer as may reasonably become necessary to facilitate their review of the Surplus Interconnection Service request.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

APPENDIX 2
CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility to the Administered Transmission System;

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform a Cluster Study to assess the impact of interconnecting the Small Generating Facility to the Administered Transmission System, and any Internal Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection Procedure (“SGIP”).
- 2.0 Interconnection Customer elects and System Operator and Interconnecting Transmission Owner shall cause to be performed a Cluster Study consistent with Section 7.0 of the SGIP in accordance with the Tariff.
- 3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Cluster Study will be based upon the technical information provided by Interconnection Customer in Attachment A (and Attachment A-1 as applicable) to the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the SGIP. System Operator and Interconnecting Transmission Owner reserve the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.
- 5.0 The Cluster Study Report shall provide the following information:
- identification of any circuit breaker or other facility short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload of any transmission facility or system voltage limit violations resulting from the interconnection;
 - initial review of grounding requirements and electric system protection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - identification of Contingent Facilities
 - description and non-binding, good faith estimated cost of and the time to construct the facilities required to interconnect the Small Generating Facility to the Administered Transmission System and to address the identified short circuit, instability, and power flow issues; and

- The Cluster Study Deposit shall be applied toward the cost of the Cluster Study and the development of this Cluster Study Agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner's and System Operator's good faith estimate for the times of commencement and completion of the Cluster Study is [insert dates].

Any difference between the deposit and the actual cost of the Cluster Study shall be paid by or refunded to Interconnection Customer, as appropriate.

The total estimated cost of the performance of the Interconnection System Impact Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____.

Upon receipt of the Cluster Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection System Impact Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the SGIP, in performing the Interconnection System Impact Study, System Operator and Interconnecting Transmission Owner shall coordinate with Internal Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

7.0 Miscellaneous.

- 7.1 Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.
- 7.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection System Impact Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection System Impact Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection System Impact Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection System Impact Study, the content of the Interconnection System Impact Study, or the conclusions of the Interconnection System Impact Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 7.3 Force Majeure, Liability and Indemnification.
- 7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement

is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, an Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Interconnection System Impact Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection System Impact Study is completed. This

Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision,

rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A
To Appendix 2
Cluster
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
CLUSTER STUDY

The Cluster Study will be based upon the *technical information provided by Interconnection Customer in the Interconnection Request* subject to any modifications in accordance with Section 4.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

APPENDIX 3
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated ; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator and Interconnecting Transmission Owner have completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Small Generator Interconnection Procedures (“SGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).
- 2.0 Interconnection Customer elects and System Operator shall cause an Interconnection Facilities Study consistent with Section 8.0 of the SGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Small Generating Facility to the Administered Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 The Interconnection Customer is providing a *Commercial Readiness Deposit per Section 8.1 of this SGIP to enter* the Interconnection Facilities Study and the greater of 25 percent of the estimated cost of the Interconnection Facilities Study or \$100,000.

The deposit shall be applied toward the cost of the Interconnection Facilities Study and the development of this Interconnection Facilities Study Agreement and its attachment(s) and the SGIA. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

The total estimated cost of the performance of the Interconnection Facilities Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____. Any difference between the deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Interconnection Facilities Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice. In accordance with the SGIP, in performing the Interconnection Facilities Study, Interconnecting Transmission Owner and System Operator shall coordinate with Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility

Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in

performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by

Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 6.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed

severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

- 6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A
To Appendix 3
Interconnection Facilities
Study Agreement

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE
INTERCONNECTION FACILITIES STUDY**

Interconnection Customer elects (check one):

- b. +/- 20 percent cost estimate contained in the Interconnection Facilities Study report.

- c. +/- 10 percent cost estimate contained in the Interconnection Facilities Study report.

Interconnecting Transmission Owner and System Operator shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B (page 1)
Appendix 3
Interconnection Facilities
Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing New England Transmission System station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on Current Transformer/Power Transformer (“CT/PT”))

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on one line).

What type of control system or Power Line Carrier (“PLC”) will be located at the Interconnection Customer’s Small Generating Facility?

What protocol does the control system or PLC use?

Attachment B (page 2)
Appendix 3
Interconnection Facilities
Study Agreement

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Interconnecting Transmission Owner's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with System Operator and Interconnecting Transmission Owner.

Is the Small Generating Facility in Interconnecting Transmission Owner's service area?

Yes _____ No _____ Local provider:

Please provide proposed schedule dates:

Begin Construction Date:

Generator step-up transformer Date:

Receives back feed power Date

Generation Testing Date:

Commercial Operation Date:

APPENDIX 4
OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection to the Administered Transmission System; and

WHEREAS, Interconnection Customer has submitted to System Operator an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that the System Operator and Interconnecting Transmission Owner prepare an Optional Interconnection Study.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Small Generator Interconnection Procedures (“SGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).
- 2.0 Interconnection Customer elects and System Operator shall cause an Optional Interconnection Study consistent with Section 10.0 of the SGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Interconnecting Transmission Owner’s Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.

In accordance with the SGIP, in performing the Optional Interconnection Study, the System Operator shall coordinate with Interconnecting Transmission Owner and Affected Parties and Internal Affected Parties, and shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

- 6.0 The Interconnection Customer is providing a deposit equal to 100 percent of the estimated cost of the study. Interconnecting Transmission Owner’s and System

Operator's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

The total estimated cost of the performance of the Optional Interconnection Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Optional Interconnection Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Optional Interconnection Study. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Optional Interconnection Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Optional Interconnection Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Optional Interconnection Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or

profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Optional Interconnection Study, the content of the Optional Interconnection Study, or the conclusions of the Optional Interconnection Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission

Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owners under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the

indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Optional Interconnection Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Optional Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located, without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A

Appendix 4

Optional Interconnection

Study Agreement

**ASSUMPTIONS USED IN CONDUCTING
THE OPTIONAL INTERCONNECTION STUDY**

[To be completed by Interconnection Customer consistent with Section 10 of the SGIP.]

APPENDIX 5 to SGIP
TRANSITIONAL CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”), and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). System Operator, Interconnection Customer and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested Interconnecting Transmission Owner and System Operator to perform a “Transitional Cluster Study,” which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of the {Transmission Provider to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

2.0 Interconnection Customer elects, and System Operator shall cause to be performed, a Transitional Cluster Study and Interconnection Customer elects that System Operator study the Small Generating Facility's request for.

_____ Network Resource Interconnection Service (energy capability only)

_____ Capacity Network Resource Interconnection Service (energy capability and capacity capability)

- ☐ Interconnection Customers seeking to complete studies for CNRIS for Interconnection Requests for which NRIS milestones have already been completed shall check this box and fill in the table below

Service Level	Requested Net MW Capability at the Point of Interconnection
CNR Capability Summer	
CNR Capability Winter	

- ☐ Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing

3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. System Operator reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this SGIP, the interim Transitional Cluster Study Report shall provide the information below:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

5.0 Pursuant to Section 5.1.1.2 of this SGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.

6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this SGIP.

7.0 Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Interconnection Customer shall provide additional study deposits in the form described in Section 5.1.1.2. System Operator may invoice for additional costs as appropriate such that Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this SGIP.

8.0 Miscellaneous.

- 8.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.
- 8.2 Disclaimer of Warranty. In preparing and/or participating in the Transitional Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Transitional Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Transitional Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Transitional Cluster Study , the content of the Transitional Cluster Study , or the conclusions of the Transitional Cluster Study . Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 8.3 Force Majeure, Liability and Indemnification.
- 8.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the

System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

8.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

8.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

8.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Transitional Cluster Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

8.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Transitional Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the

Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 8.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 8.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 8.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 8.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 8.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 8.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 8.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

8.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: ____

Title: __

Date: __

{Insert name of Interconnecting Transmission Owner }

By: ____

Title: __

Date: __

{Insert name of Interconnection Customer}

By: ____

Title: __

Date: __

APPENDIX 6 to SGIP
TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of ____, 20__, by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final Cluster Study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator has provided an Interconnection Facilities Study Agreement to the Interconnection Customer on or before {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.
- 2.0 Interconnection Customer elects and Interconnecting Transmission Owner shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this SGIP.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by the Interconnection Customer.
- 4.0 The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Small Generating Facility to the Administered Transmission System; and (2) address the short circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.
- 5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this SGIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than 150 Calendar Days after {System Operator to insert effective date accepted on compliance}.
- 6.0 Interconnection Customer previously provided a deposit of _____ dollars (\$____) for the performance of the Interconnection Facilities Study.
- 7.0 Upon receipt of the Interconnection Facilities Study results, Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.
- 8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

9.0 Miscellaneous.

9.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

9.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

9.3 Force Majeure, Liability and Indemnification.

9.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is

hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 9.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

9.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

9.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

9.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to

the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 9.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 9.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 9.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 9.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 9.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 9.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 9.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 9.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Interconnecting Transmission Owner }

By: ____

Title: _

Date: _

ISO New England Inc.

By: ____

Title: _

Date: _

{Insert name of Interconnection Customer}

By: ____

Title: _

Date: _

Attachment A to Appendix 6
Transitional Serial Interconnection Facilities Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL
INTERCONNECTION FACILITIES STUDY**

{ Assumptions to be completed by Interconnection Customer and Interconnecting Transmission Owner }

APPENDIX 7 to SGIP
TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customer and System Operatoreach may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.
- 2.0 System Operator shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this SGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, System Operator shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

- 7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.
- 7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 7.3 Force Majeure, Liability and Indemnification.
- 7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the

System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.
- 7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents

from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. _____

Attachment A to Appendix 7
Two-Party Affected System Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:

{ Assumptions to be completed by Affected System Interconnection Customer and System Operator }

APPENDIX 8 to SGIP
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

- 2.0 System Operator shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this SGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.
- 6.0 Affected System Interconnection Customers shall each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the

Affected System Study by the Affected System Interconnection Customers, System Operator shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 Miscellaneous

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

- 7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.
- 7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any

incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each

and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

Attachment A to Appendix 8
Multiparty Affected System Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:

{ Assumptions to be completed by Affected System Interconnection Customers and System Operator }

APPENDIX 9 TO SGIP
TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this SGIP.

ARTICLE 2

TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the Parties agree to mutually terminate this Agreement; (2) earlier termination is permitted or provided for under Appendix A of this Agreement; or (2) Affected System Interconnection Customer terminates this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by System Operator and Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if Affected System

Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Interconnecting Transmission Owner for any such damages, including costs and expenses, incurred by Interconnecting Transmission Owner as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Interconnecting Transmission Owner, Affected System Interconnection Customer shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of

Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Interconnecting Transmission Owner written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System

Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Interconnecting Transmission Owner of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify Affected System Interconnection Customer. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or

delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject

to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that

Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or which Interconnecting Transmission Owner may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Affected System Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the “Cure Period”) which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties’ obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, Interconnecting Transmission

Owner shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8

CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party,

who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential

Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated

as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties

shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party

represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the

extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Attachment A to Appendix 9

Two-Party Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 9

Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Interconnecting Transmission Owner} and {Affected System Interconnection Customer}, dated _____, 20____.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Interconnecting Transmission Owner Representative}

Attachment C to Appendix 9

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement among Affected System Interconnection Customer and Interconnecting Transmission Owner.

Exhibit A1
Interconnecting Transmission Owner Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Interconnecting Transmission Owner	Estimate in Dollars
		Total:	

APPENDIX 10 TO SGIP
MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission). Affected System Interconnection Customers and Interconnecting Transmission Owner each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host Interconnecting Transmission Owner}, dated _____, for which {name of host Interconnecting Transmission Owner} found impacts on New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host Interconnecting Transmission Owner}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this SGIP.

ARTICLE 2

TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Interconnecting Transmission Owner of the amount funded by Affected System Interconnection Customers for Interconnecting Transmission Owner's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and

Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host Interconnecting Transmission Owner} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Interconnecting Transmission Owner within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Interconnecting Transmission Owner for any such damages, including costs and expenses incurred by Interconnecting Transmission Owner as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Interconnecting Transmission Owner shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Interconnecting Transmission Owner to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Interconnecting Transmission Owner, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of

persons and property and the integrity and safe and reliable operation of New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customers shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Interconnecting Transmission Owner written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the

event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and

construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify all other Parties. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of the Interconnecting Transmission Owner's pro forma SGIA, each Affected System Interconnection Customer shall be entitled to a cash repayment by Interconnecting Transmission Owner of the amount each Affected System Interconnection Customer paid to Interconnecting Transmission Owner, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at

18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or

adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or to which Interconnecting Transmission Owner may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet each Affected System Interconnection Customer's

estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which such Affected System Interconnection Customer(s) may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented

reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by

an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent

escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.2.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the “Cure Period”) which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Interconnecting Transmission Owner. Interconnecting Transmission Owner may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Interconnecting Transmission Owner must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties’ obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its

entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, each Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for its share of any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network

Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, Interconnecting Transmission Owner shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an

investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Affected System Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by

Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in

respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Attachment A to Appendix 10
Multiparty Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE
-----------------------------	--------------------	-------------

* Affected System Interconnection Customers’ proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ____._%

Affected System Interconnection Customer 2 ____._%

Affected System Interconnection Customer N ____._%

Note: Affected System Interconnection Customers’ payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 10

Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among { Interconnecting Transmission Owner } and {Affected System Interconnection Customers}, dated _____, 20____.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{ Interconnecting Transmission Owner Representative }

Attachment C to Appendix 10

Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

Exhibit A1
Transmission Provider Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
		Total:	

APPENDIX 11

STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

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Attachments to SGIA

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Attachment 2 – Description and Costs of the Small Generating Facility, Interconnection Facilities, and
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Attachment 3 – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities,
Metering Equipment, and Upgrades

Attachment 4 – Milestones

Attachment 5 – Additional Operating Requirements for the New England Transmission System and
Affected Systems Needed to Support the Interconnection Customer's Needs

Attachment 6 – Interconnecting Transmission Owner's Description of its Upgrades and Best Estimate of
Upgrade Costs

Attachment 7 – Commercial Operation Date

THIS STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT ("Agreement")

is made and entered into this _____ day of _____, 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Small Generating Facility), ISO New England Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnecting Transmission Owner"). Under this Agreement the Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a "Party" or collectively as the "Parties."

In consideration of the mutual covenants set forth herein, the Parties agree as follows

Article 1. Scope and Limitations of Agreement

1.1 Applicability:

This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP).

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Interconnecting Transmission Owner's facilities that are part of the Administered Transmission System.

1.3 No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Party.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Parties.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Interconnecting Transmission Owner shall construct, operate, and maintain its transmission facilities and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Interconnecting Transmission

Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the New England Transmission System [or Interconnecting Transmission Owner's transmission facilities], personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

- 1.5.6 The System Operator, with input from the Interconnecting Transmission Owner, shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Interconnecting Transmission Owner's automatic load-shed program. The System Operator and Interconnecting Transmission Owner shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems

during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The term “voltage ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by Reliability Standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

1.6 Parallel Operation Obligations; Limited Operation; Provisional Interconnection Service

1.6.1 Parallel Operation Obligations. Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to the ISO New England Operating Documents, and the Operating Requirements set forth in Attachment 5 of this Agreement.

1.6.2 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Small Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Small Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this SGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

1.6.3 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, System Operator and the Interconnecting Transmission Owner may execute a Provisional Small Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Small Generator Interconnection Agreement with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies. System Operator and Interconnecting Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Small Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Small Generating Facility are in place prior to the commencement of Interconnection Service from the Small Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Small Generating Facility are not currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Small Generating Facility in the Provisional Small Generator Interconnection Agreement shall be studied and updated each time the

conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's Queue Position and associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Small Generator Interconnection Agreement and the Small Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

1.7 Metering

The Interconnection Customer shall be responsible for the Interconnecting Transmission Owner's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachment 2 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements. Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Commission, state, or local regulatory requirements and with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection with dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, unless the System Operator or Interconnecting Transmission Owner has established different requirements that apply to all similarly situated synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4, to the LGIA) generators on a comparable basis and in accordance with Operating Requirements.

1.8.1.2 Non-Synchronous Generation. Generating Facilities shall be subject to the power factor design criteria specified in Appendix G to the LGIA. Wind and inverter-based Generating Facilities shall be subject to the Low Voltage Ride-Through Capability requirements specified in Appendix G to the LGIA.

1.8.2 Interconnection Customers shall be compensated for reactive power service in accordance with Schedule 2 of Section II of the Tariff.

1.8.3 Primary Frequency Response

Interconnection Customer with an Interconnection System Impact Study that commenced before May 15, 2018 is obligated to provide and maintain a functioning governor on all generating units comprising the Small Generating Facility in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnection Customer with an Interconnection System Impact Study that commenced on or after May 15, 2018 shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be

implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Articles 1.8.3.1 and 1.8.3.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting Transmission Owner upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and

(3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the New England Transmission System.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 1.8.3, 1.8.3.1, and 1.8.3.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 1.8.3, but shall be

otherwise exempt from the operating requirements in Articles 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.4 of this Agreement.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting a Small Generating Facility that contains an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 1.8.3, 1.8.3.1, 1.8.3.2 and 1.8.3.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 1.8.3.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop

parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement. Capitalized terms in Schedule 23 that are not defined in the Glossary of Terms shall have the meanings specified in Sections I.2.2. of the Tariff.

1.10 Scope of Service

1. 10.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

_____ NR for NR Interconnection Service (NR Capability Only)

_____ CNR for CNR Interconnection Service (NR Capability and CNR Capability)

1.10.1.1 Capacity Network Resource Interconnection Service (CNR Interconnection Service

(a) The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and the Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which all other CNRs are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows the Interconnection Customer's Small Generating Facility to be designated as a CNR to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the net CNR Capability, or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as all other existing Capacity Network Resources, and to be studied as a

Capacity Network Resource on the assumption that such a designation will occur.

1.10.1.2 Network Resource Interconnection Service (NR Interconnection Service).

- (a) The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which all other Network Resources are interconnected under the NC Interconnection Standard.

NR Interconnection Service allows the Interconnection Customer's Small Generating Facility to participate in the New England Markets, in accordance with Market Rule, Section III of the Tariff, up to the gross and net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff. Notwithstanding the above, the portion of a Small Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, except pursuant to a new Interconnection Request for CNR Interconnection Service.

1.10.1.3 Provision of Service. System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Small Generating Facility at the Point of Interconnection.

1.10.1.4 Performance Standards. Each Party shall perform all of its obligations under this SGIA in accordance with Applicable Laws and Regulations, the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such requirements and standards, such Party shall not be deemed to be in Breach of this SGIA for its compliance therewith. If such Party is the Interconnecting

Transmission Owner, then that Party shall amend the SGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.

- 1.10.1.5 No Transmission Service Delivery. The execution of this SGIA does not constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service, or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 1.10.1.6 Transmission Delivery Service Implications. CNR Interconnection Service and NR Interconnection Service allow the Interconnection Customer's Small Generating Facility to be designated by any Network Customer under the Tariff on the New England Transmission System as a Capacity Network Resource or Network Resource, up to the net CNR Capability or NR Capability, respectively, on the same basis as all other existing Capacity Network Resources and Network Resources interconnected to the New England Transmission System, and to be studied as a Capacity Network Resource or a Network Resource on the assumption that such a designation will occur. Although CNR Interconnection Service and NR Interconnection Service do not convey a reservation of transmission service, any Network Customer can utilize its network service under the Tariff to obtain delivery of capability from the Interconnection Customer's Small Generating Facility in the same manner as it accesses Capacity Network Resources and Network Resources. A Small Generating Facility receiving CNR Interconnection Service or NR Interconnection Service may also be used to provide Ancillary Services, in accordance with the Tariff and Market Rule 1, after technical studies and/or periodic analyses are performed with respect to the Small Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing

Capacity Network Resource or Network Resource. However, if an Interconnection Customer's Small Generating Facility has not been designated as a Capacity Network Resource or as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all Generating Facilities that are similarly situated.

CNR Network Interconnection Service and NR Interconnection Service do not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Small Generating Facility to any particular load on the New England Transmission System without incurring congestion costs. In the event of transmission constraints on the New England Transmission System, the Interconnection Customer's Small Generating Facility shall be subject to the applicable congestion management procedures for the New England Transmission System in the same manner as other Capacity Network Resources or Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Small Generating Facility be designated as a Capacity Network Resource or as a Network Resource by a Network Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Small Generating Facility as either a Capacity Network Resource or a Network Resource, it must do so pursuant to the Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining CNR Interconnection Service or NR Interconnection Service, as long as the Small Generating Facility has not been deemed to be retired, any future transmission service request for delivery from the Small Generating Facility on the New England Transmission System of any amount of capacity capability and/or energy capability will not require that any additional studies be performed or that any further upgrades associated with such Small

Generating Facility be undertaken, regardless of whether or not such Small Generating Facility is ever designated by a Network Customer as a Capacity Network Resource or Network Resource and regardless of changes in ownership of the Small Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long-term transmission service for deliveries from the Small Generating Facility outside the New England Transmission System, or if the unit has been deemed to be retired, such request may require additional studies and upgrades in order for Interconnecting Transmission Owner to grant such request.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

- 2.1.1. The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the System Operator and the Interconnecting Transmission Owner of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Interconnecting Transmission Owner may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Interconnecting Transmission Owner a written test report when such testing and inspection is completed.
- 2.1.2. The Interconnecting Transmission Owner shall provide the Interconnection Customer and the System Operator written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Interconnecting Transmission Owner of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.1.3 Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The System Operator and the Interconnecting Transmission Owner must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Interconnecting Transmission Owner [and System Operator] shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Interconnecting Transmission Owner shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Interconnecting Transmission Owner shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the New England Transmission System [or Interconnecting Transmission Owner's transmission facilities] without prior written authorization of the Interconnecting Transmission Owner. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Interconnecting Transmission Owner may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Interconnecting Transmission Owner at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Interconnecting Transmission Owner shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by the Commission (if applicable), or if filed unexecuted, upon the date specified by the Commission. System Operator and Interconnecting Transmission Owner shall promptly file this Agreement with the Commission upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and by mutual agreement of the Parties shall remain in effect for a period of ____ years, (Term to be specified in individual Agreements, but in no case should the term be less than ten years from the Effective Date or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with the Commission of a

notice of termination of this Agreement (if required), which notice has been accepted for filing by the Commission.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the System Operator and Interconnecting Transmission Owner 20 Business Days written notice.

3.3.2 Each Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Interconnecting Transmission Owner's Interconnection Facilities. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, the Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England

Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. The System Operator and the Interconnecting Transmission Owner may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility in accordance with applicable provisions of the Operating Requirements. The System Operator and Interconnecting Transmission Owner shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the New England Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

3.4.2.1 Outage Authority and Coordination. The System Operator shall have the authority to coordinate facility outages in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Each Party may in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, in coordination with the other Party(ies), remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's(ies') facilities as necessary to perform maintenance or testing or to install or replace equipment, subject to the oversight of System Operator in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

3.4.2.2 Outage Schedules. Outage scheduling, and any related compensation, shall be in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

3.4.2.3 Interruption of Service. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, the System Operator or Interconnecting Transmission Owner may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect System Operator's or Interconnecting Transmission Owner's ability to perform such activities as are necessary to safely and reliably operate and maintain the New England Transmission System.

3.4.3 Forced Outages

During any forced outage, the Interconnecting Transmission Owner [and the System Operator] may suspend interconnection service to effect immediate repairs on the New England Transmission System. The Interconnecting Transmission Owner shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Interconnecting Transmission Owner shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Interconnecting Transmission Owner shall notify the Interconnection Customer and the System Operator as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the New England Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a

reasonable time, the Interconnecting Transmission Owner may disconnect the Small Generating Facility. The Interconnecting Transmission Owner shall provide the Interconnection Customer and the System Operator with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from: (1) the Interconnecting Transmission Owner before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Interconnecting Transmission Owner's Interconnection Facilities; and (2) the System Operator before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the New England Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the System Operator's or the Interconnecting Transmission Owner's, as appropriate, prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the New England Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Interconnecting Transmission Owner shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs

associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Interconnecting Transmission Owner.

- 4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Interconnecting Transmission Owner's Interconnection Facilities.

4.2 Distribution Upgrades

The Interconnecting Transmission Owner shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Interconnecting Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer. The Interconnection Customer shall be responsible for its share of all reasonable expenses, associated with operating, maintaining, repairing, and replacing such Distribution Upgrades, except to the extent that a retail tariff of, or an agreement with, the Interconnecting Transmission Owner or its distribution company affiliate, if appropriate, provides otherwise.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades, including Stand Alone Network Upgrades.

5.2 Network Upgrades

The Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Interconnecting Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Interconnecting Transmission Owner elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Interconnection Customer.

5.2.1.1 Cost Allocation. Cost allocation of Generator Interconnection Related Upgrades shall be in accordance with Schedule 11 of Section II of the Tariff.

5.2.1.2 Compensation. Any compensation due to the Interconnection Customer for increases in transfer capability to the PTF resulting from its Generator Interconnection Related Upgrade shall be determined in accordance with Sections II and III of the Tariff.

5.3 Special Provisions for Affected Systems

The Interconnection Customer shall enter into separate related facilities agreements to address any upgrades to the Affected System(s) or Internal Affected Systems that are necessary for safe and reliable interconnection of the Interconnection Customer's Small Generating Facility.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Interconnecting Transmission Owner shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Interconnecting Transmission Owner's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Interconnecting Transmission Owner for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Interconnecting Transmission Owner shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Interconnecting Transmission Owner within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Interconnecting Transmission Owner shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party(ies) of the reason(s) for

not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Interconnecting Transmission Owner's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Interconnecting Transmission Owner's Interconnection Facilities and Upgrades. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Interconnecting Transmission Owner, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

1.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Interconnecting Transmission Owner and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

Notwithstanding any other provision of this Agreement, the liability, indemnification and insurance provisions of the Transmission Operating Agreement ("TOA") or other applicable operating agreements

shall apply to the relationship between the System Operator and the Interconnection Transmission Owner and the liability, indemnification and insurance provisions of the Tariff apply to the relationship between the System Operator and the Interconnection Customer and between the Interconnecting Transmission Owner and the Interconnection Customer.

7.1 Assignment

This Agreement may be assigned by a Party upon 15 Business Days prior written notice and opportunity to object by the other Parties; provided that:

- 7.1.1 The Parties may assign this Agreement without the consent of the other Parties to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the other Parties of any such assignment.
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Interconnecting Transmission Owner or the System Operator, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Interconnecting Transmission Owner and the System Operator of any such assignment.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party(ies) for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its

performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall a Party be liable to another Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's(ies') action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification

shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, in no event shall a Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."
- 7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event shall promptly notify the other Party(ies), either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Party affected is taking to mitigate the effects of the event on its performance. The Party affected shall keep the other Party(ies) informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Party affected will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be

mitigated by the use of Reasonable Efforts. The Party affected will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party(ies). Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance Requirements

8.1 General Liability

The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the

interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Interconnecting Transmission Owner, except that the Interconnection Customer shall show proof of insurance to the Interconnecting Transmission Owner no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2 Insurer Requirements and Endorsements

All required insurance shall be carried by reputable insurers qualified to underwrite insurance in the state where the interconnection is located having a Best Rating of “A-”. In addition, all insurance shall, (a) include Interconnecting Transmission Owner and System Operator as additional insureds; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Interconnecting Transmission Owner and System Operator shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days’ written notice to Interconnecting Transmission Owner and System Operator prior to cancellation, termination, or material change of such insurance; provided that to the extent the Interconnection Customer is satisfying the requirements of subpart (d) of this paragraph by means of a presently existing insurance policy, the Interconnection Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Interconnecting Transmission Owner and System Operator as required above.

If the requirement of clause (a) in the paragraph above prevents Interconnection Customer from obtaining the insurance required without added cost or due to written refusal by the insurance carrier, then upon Interconnection Customer’s written notice to Interconnecting Transmission Owner and System Operator, the requirements of clause (a) shall be waived.

8.3 Evidence of Insurance

Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnection Customer.

The Interconnection Customer is responsible for providing the Interconnecting Transmission Owner and the System Operator with evidence of insurance in compliance with this Tariff on an annual basis.

Prior to the Interconnecting Transmission Owner commencing work on Interconnection Facilities, Network Upgrades and Distribution Upgrades, the Interconnection Customer shall have its insurer furnish to the Interconnecting Transmission Owner and the System Operator certificates of insurance evidencing the insurance coverage required above. The Interconnection Customer shall notify and send to the Interconnecting Transmission Owner and the System Operator a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Transmission Owner and the System Operator may at their discretion require the Interconnection Customer to maintain tail coverage for three years on all policies written on a "claims-made" basis.

8.4 Self Insurance

If Interconnection Customer is a company with a self-insurance program established in accordance with commercially acceptable risk management practices, Interconnection Customer may comply with the following in lieu of the above requirements as reasonably approved by the Interconnecting Transmission Owner and the System Operator:

- Interconnection Customer shall provide to Interconnecting Transmission Owner and System Operator, at least thirty (30) calendar days prior to the Date of Initial Operation, evidence of such program to self-insure to a level of coverage equivalent to that required.
- If Interconnection Customer ceases to self-insure to the standards required hereunder, or if Interconnection Customer is unable to provide continuing evidence of Interconnection Customer's financial ability to self-insure, Interconnection Customer agrees to promptly obtain the coverage required under Article 8.1.

8.5 Interconnecting Transmission Owner Insurance

The Interconnecting Transmission Owner agrees to maintain general liability insurance or self-insurance consistent with the Interconnecting Transmission Owner's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Interconnecting Transmission Owner's liabilities undertaken pursuant to this Agreement.

Article 9. Confidentiality

9.1 Confidential Information shall include without limitation, all information governed by the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, and any confidential and/or proprietary information provided by a Party to the another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party(ies) and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party(ies) as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or

proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if the Commission, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the Commission, within the time provided for in the request for information. In providing the information to the Commission, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by the Commission and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this Agreement prior to the release of the Confidential Information to the Commission. The Party shall notify the other Party(ies) to this Agreement when it is notified by the Commission that a request to release Confidential Information has been received by the Commission, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1 Submission.** In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the “disputing Party”) shall provide the other Party(ies) with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s(ies’) receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this SGIA.

10.2 External Arbitration Procedures. Any arbitration initiated under this SGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 10, the terms of this Article 10 shall prevail

10.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this SGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

10.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with Commission policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's(ies') tax status. Nothing in this Agreement is intended to adversely affect the Interconnecting Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.1 Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Interconnecting Transmission Owner. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, this Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, there are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter

into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Commission expects the System Operator, Interconnecting Transmission Owners, market participants, and Interconnection Customers interconnected to the New England Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party(ies), first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party(ies). The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly

furnish to the other Party(ies) copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party(ies) for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party(ies) for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Interconnecting Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

Consistent with Section 4.8 of Schedule 23, the Interconnecting Transmission Owner and the System Operator shall have the right to make a unilateral filing with the Commission to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this Agreement under any applicable provision of the Federal Power Act and the Commission's rules and regulations;

provided that each Party shall have the right to protest any such filing by the other Party(ies) and to participate fully in any proceeding before the Commission in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of the Commission under sections 205 or 206 of the Federal Power Act and the Commission's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

[To be supplied]

If to the Interconnecting Transmission Owner:

[To be supplied]

If to the System Operator:

ISO New England Inc.

Attention: Generation Interconnection, Transmission Planning Department

One Sullivan Road

Holyoke, MA 01040-2841

Phone: _____ Fax: 413-540-4203

With a copy to:

Billing Department

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040-2841

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner[To be supplied]

System Operator: ISO New England Inc.

Attention: Generation Interconnection, Transmission Planning Department

One Sullivan Road

Holyoke, MA 01040-2841

Phone: _____ Fax: 413-540-4203

With a copy to:

Billing Department

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040-2841

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to the other Party(ies) and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Phone: _____ Fax: _____

E-mail: _____

If to the Interconnecting Transmission Owner:

Phone: _____ Fax: _____

E-mail: _____

If to the System Operator:

Phone: _____ Fax: 413-540-4203

E-mail: geninterconn@iso-ne.com

With a copy to:

Billing Department

Facsimile: (413) 535-4024

E-mail: billingdept@iso-ne.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

[To be supplied]

Interconnecting Transmission Owner's Operating Representative:

[To be supplied]

System Operator's Operating Representative:

ISO New England Inc.

Attention: Generation Interconnection, Transmission Planning Department

One Sullivan Road

Holyoke, MA 01040-2841

Phone: _____ Fax: (413) 540-4203

E-mail: geninterconn@iso-ne.com

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

13.5 Changes to the Notice Information

A Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

***[Insert name of]* (Interconnecting Transmission Owner)**

Name: _____

Title: _____

Date: _____

***[Insert name of]* (Interconnection Customer)**

Name: _____

Title: _____

Date: _____

ISO New England Inc. (System Operator)

Name: _____

Title: _____

Date: _____

ATTACHMENTS TO SGIA

Attachment 1	Glossary of Terms
Attachment 2	Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment
Attachment 3	One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment and Upgrades
Attachment 4	Milestones
Attachment 5	Additional Operating Requirements for the New England Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs
Attachment 6	Interconnecting Transmission Owner's Description of its Upgrades, and Best Estimates of Upgrade Costs
Attachment 7	Commercial Operation Date

Glossary of Terms

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this SGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England Transmission System, as described in Section 9 of this SGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this SGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this SGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components.

For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Small Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Small Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Small Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff . The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this SGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this SGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this SGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this SGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this SGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this SGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment 7 to the Standard Small Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this SGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this SGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 7.6 of the Standard Small Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Small Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the

establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Small Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment 2 to the Standard Small Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this SGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Attachment 2 of the Standard Small Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for the Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy, or the Cluster Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of this SGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this SGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this SGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this SGIP, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service for all or part of a Generating Facility's capability. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended

by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the SGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment and the Optional Interconnection Study described in the SGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this SGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Small Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more 20 MW or less.

SGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed SGIA, or within ten (10) Business Days of requesting that the SGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this SGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its obligations under the Standard Small Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, 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 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 Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond the Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Small Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this SGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this SGIP that is made among Interconnecting Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Network Capability Interconnection Standard (“NC Interconnection Standard”) shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource (“NR”) shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability (“NR Capability”) shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service (“NR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer’s NR Interconnection Service shall be solely for the megawatt amount of the NR Capability requested pursuant to Section 3.1 of this SGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Small Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this SGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating

Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Standard Small Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, and analyzing such information.

Site Control shall mean the exclusive ~~land~~-right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or

other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Attachment 2 to the Standard Small Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide the Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Small Generator Interconnection Agreement (“SGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility, that is included in this Schedule 23 to the Tariff.

Standard Small Generator Interconnection Procedures (“SGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in this Schedule 23 to the Tariff.

Study Case shall have the meaning specified in Sections ~~6.2~~ 7.3 and 7.5 of this SGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an

Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for an ~~existing~~ Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Capacity Network Resource Group Study (“Transitional CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this SGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the SGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this SGIP.

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Interconnecting Transmission Owner. The Interconnecting Transmission Owner will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

I. DESCRIPTION OF MAJOR COMPONENTS

A. Small Generating Facility

(1) Description of Small Generating Facility.

[insert]

(2) The Small Generating Facility shall receive:

____ Network Resource Interconnection Service for the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer, and [insert gross and net at or above 0 degrees F] MW for Winter.

____ Capacity Network Resource Interconnection Service for: (a)(i) the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer and [insert gross and net at or above 0 degrees F] MW for Winter; and (ii) the CNR Capability at [insert net] MW for Summer and [insert net] MW for Winter, which shall not exceed [insert the maximum net MW electrical output of the Generating Facility at an ambient temperature at or above 90 degrees F for summer and at or above 20 degrees F for winter].

- (3) Detailed Description of Small Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	
Excitation System Model	
Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	

Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	
Transient Reactance (saturated)	
Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	
Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

B. Interconnection Facilities

[insert]

C. Metering Equipment

[insert]

D. Other Components

[insert]

II. INTERCONNECTION EQUIPMENT OWNERSHIP, OPERATION AND MAINTENANCE

A. Point of Change of Ownership; Point of Interconnection

[insert]

B. Description of Responsibilities

[insert]

III. PRICING ESTIMATES

A. Interconnection Facilities

[insert]

B. Metering Equipment

[insert]

C. Operation and Maintenance

[insert]

Attachment 3

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

[insert]

Milestones

- 1. Milestones and Other Requirements:** The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the SGIP and this SGIA. The referenced section of the SGIP or article of the SGIA should be reviewed to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	SGIP/SGIA Reference
1	Submit updated data “as purchased”	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	
2	Submit supplemental and/or updated data “as built/as-tested”	Interconnection Customer	Prior to Commercial Operation Date	
3	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone #3 below and ending when the entire Small Generating	

			Facility and all required Interconnection Facilities and Network Upgrades are in place	
4	Deliver to Transmission Owner “as built” drawings, information and documents regarding Interconnection Customer’s Interconnection Facility	Interconnection Customer	If requested, within 120 Calendar Days after Commercial Operation date	

2. Milestones Applicable If Facilities Study Has Been Waived by Interconnection Customer:

Item No.	Milestone Description	Responsible Party	Date	SGIP/SGIA Reference
1	Siting approval for the Generating Facility and Interconnection Facilities	Interconnection Customer	As agreed to by the Parties	SGIP § 7.5
2	Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner	Interconnection Customer	As agreed to by the Parties	SGIP § 7.5

3	Commit to the ordering of long lead time material for Interconnection Facilities and system upgrades	Interconnection Customer	As agreed to by the Parties	SGIP § 5.2
4	In-Service Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	
5	Initial Synchronization Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	SGIP § 3.4.2, 4.4.4, 4.4.5, and 7.5
6	Commercial Operation Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	SGIP § 3.4.2, 4.4.4, 4.4.5, and 7.5
7	Provide evidence of 100% Site Control to System Operator	Interconnection Customer	Upon Execution of the LGIA	§ 11.3.1.1 of SGIP
8	Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by or the LGIA may be terminated per	Interconnection Customer	180 days from the effective date of this LGIA	

	Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's LGIP (Calculation of the Withdrawal Penalty).			
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- 3. Milestones Applicable Solely for CNR Interconnection Service.** In addition to the Milestones above, for projects that achieve a Capacity Supply Obligation prior to September 4, 2024, the following Milestones apply to Interconnection Customers requesting CNR Interconnection Service:

Item #	Milestone	Responsible Party	Date	SGIP/SGIA Reference
1	Submit necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date, in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of SGIP
2	Participate in a CNR Group Study	Interconnection Customer; System Operator		§ 3.2.1.3 of SGIP
3	Qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of SGIP

4	Complete a re-study of the applicable Interconnection Study to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request based on the results of the Forward Capacity Auction, Reconfiguration Auction or bilateral transaction through which the Interconnection Customer received a Capacity Supply Obligation	System Operator		<u>§ 3.2.1.3 of SGIP</u>
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**Additional Operating Requirements for the
New England Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Interconnecting Transmission Owner shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the New England Transmission System.

I. OPERATING REQUIREMENTS

[Insert]

**Interconnecting Transmission Owner's
Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Interconnecting Transmission Owner shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Interconnecting Transmission Owner shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

I. DESCRIPTION OF UPGRADES

A. Distribution Upgrades

[Insert]

B. Network Upgrades

[Insert]

(1) Stand Alone Network Upgrades

(2) Other Network Upgrades

C. Affected System and/or Internal Affected System Upgrades

[Insert]

D. Contingent Facilities: [insert list of Contingent Facilities]

(1) Other Contingency Upgrades. [e.g., list of upgrades associated with higher queued Interconnection Requests with SGIsAs prior to this SGIA and any other contingency upgrades that the Parties may deem necessary for the interconnection of the Small Generating Facility.]

E. Post-Forward Capacity Auction Re-study Upgrade Obligations.

[Insert any changes in upgrade obligations that result from re-study conducted post receiving a Capacity Supply Obligation in accordance with the Tariff.]

Commercial Operation Date

This Attachment 7 is a part of the SGIA between System Operator, Interconnecting Transmission Owner and Interconnection Customer.

[Date]

[Interconnecting Transmission Owner; Address]

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Re: _____ Small Generating Facility

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. ____.
This letter confirms that [Interconnection Customer] commenced commercial operation of Unit No. ____ at the Small Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

ATTACHMENT K
REGIONAL SYSTEM PLANNING PROCESS

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APPENDIX 2 – LIST OF ENTITIES ENROLLED IN THE TRANSMISSION PLANNING REGION

APPENDIX 3 – LIST OF QUALIFIED TRANSMISSION PROJECT SPONSORS

1. Overview

This Attachment describes the regional system planning process conducted by the ISO, as well as the coordination with transmission-owning entities in, or other entities interconnected to, the New England Transmission System and neighboring systems to ensure the reliability of the New England Transmission System and compliance with national and regional planning standards, criteria and procedures, while accounting for market performance, economic, environmental, and other considerations, as may be agreed upon from time to time. The New England Transmission System is comprised of PTF, Non-PTF, OTF and MTF within the New England Control Area that is under the ISO's operational authority or control pursuant to the ISO Tariff and/or various transmission operating agreements. This Attachment describes the regional system planning process for the PTF conducted by the ISO, and local system planning process conducted by the PTOs, pursuant to their responsibilities defined in the Tariff, the various transmission operating agreements and this Attachment. Additional details regarding the regional system planning process are also provided in the ISO New England Planning Procedures and ISO New England Operating Procedures, which are available on the ISO's website.

The ISO shall conduct the regional system planning process for the PTF in coordination with the transmission-owning entities in, or other entities interconnected to, the New England Transmission System and neighboring systems, consistent with the rights and obligations defined in the Tariff, applicable transmission operating agreements and this Attachment. As described in this Attachment's Section 6 and Appendix 1, entitled "Attachment K -Local System Planning Process", the PTOs are responsible for the Local System Planning ("LSP") process for the Non-PTF in the New England Transmission System. As also described in Section 6, and pursuant to the Tariff and/or transmission operating agreements, the OTOs and MTOs are required to participate in the ISO's regional system planning process for reliability purposes and to perform and/or support studies of the impact of regional system planning projects on their respective OTF and MTF.

The regional system planning process described in this Attachment provides for the ISO to undertake assessments of the needs of the PTF system on a systemwide or specific area basis. These assessments shall be referred to as Needs Assessments, as described in Section 4.1 of this Attachment. The ISO shall incorporate market responses that have met the criteria specified in Sections 4.1(f) and 4A.3(b) of this Attachment into the Needs Assessments, Public Policy Transmission Studies or the Regional System Plan ("RSP"), described below. Where market responses incorporated into the Needs Assessments or Public

Policy Transmission Studies do not eliminate or address the needs identified by the ISO in Needs Assessments, Public Policy Transmission Studies or the RSP, the ISO shall develop or evaluate, pursuant to Sections 4.2(b), 4.3, or 4A of this Attachment, as applicable, regulated transmission solutions proposed in response to the needs identified by the ISO.

Pursuant to Sections 3 and 7 of this Attachment, the ISO shall develop the RSP for approval by the ISO Board of Directors following stakeholder input through the Planning Advisory Committee established pursuant to Section 2 of this Attachment. The RSP is a compilation of the regional system planning process activities conducted by the ISO. The RSP shall address needs of the PTF system determined by the ISO through Needs Assessments initiated and updated on an ongoing basis by the ISO to: (i) account for changes in the PTF system conditions; (ii) ensure reliability of the PTF system; (iii) comply with national and regional planning standards, criteria and procedures; and (iv) account for market performance, economic, environmental and other considerations as may be agreed upon from time to time.

As more fully described in Section 3 of this Attachment, the RSP shall identify:

- (i) PTF system reliability and market efficiency needs,
- (ii) the requirements and characteristics of the types of resources that may satisfy PTF system reliability and market efficiency needs to provide stakeholders an opportunity to develop and propose efficient market responses to meet the needs identified in Needs Assessments;
- (iii) regulated transmission solutions to meet the needs identified in Needs Assessments where market responses do not address such needs or additional transmission infrastructure may be required to comply with national and regional planning standards, criteria and procedures or provide market efficiency benefits in accordance with Attachment N of this OATT;
- (iv) those projects identified through the Public Policy procedures described in Section 4A of this Attachment K; and

- (v) those projects identified through the longer-term transmission planning procedures described in Section 16 of this Attachment K.

In addition, the RSP shall also provide information on a broad variety of power system requirements that serves as input for reviewing the design of the markets and the overall economic performance of the system. The RSP shall also describe the coordination of the ISO's regional system plans with regional, local and inter-area planning activities.

Pursuant to Section 3.6 of this Attachment, the ISO shall also develop, maintain and post on its website a cumulative list reflecting the regulated transmission solutions proposed in response to Needs Assessments (the "RSP Project List"). The RSP Project List shall be a cumulative representation of the regional transmission planning expansion efforts ongoing in New England.

1.1 Enrollment

For purposes of participating as a transmission provider in the New England transmission planning region pursuant to this Attachment K, and distinct from Transmission Providers as defined in Section I of this Tariff, an entity chooses to enroll by executing (or having already executed) a: (i) transmission operating agreement with the ISO, or (ii) a Market Participant Service Agreement coupled with a written notification to the ISO that the entity desires to be a transmission provider in the New England region. Such enrollment in the transmission planning region is not necessary to participate in the Planning Advisory Committee, which is open to any entity as described in Section 2.3 of this Attachment K.

1.2 A List of Entities Enrolled in the Planning Region

A list of entities enrolled in the transmission planning region as transmission providers as described in Section 1.1. above, is included as Appendix 2 of this Attachment K.

2. Planning Advisory Committee

2.1 Establishment

A Planning Advisory Committee shall be established by the ISO to perform the functions set forth in Section 2.2 of this Attachment. It shall have a Chair and Secretary, who shall be appointed by the chief executive officer of the ISO or his or her designee. Before appointing an individual to the position of the Chair or Secretary, the ISO shall notify the Planning Advisory Committee of the proposed assignment

and, consistent with its personnel practices, provide any other information about the individual reasonably requested by the Planning Advisory Committee. The chief executive officer of the ISO or his or her designee shall consider the input of the members of the Planning Advisory Committee in selecting, removing or replacing such officers. The Planning Advisory Committee shall be advisory only and shall have no formal voting protocol.

The ISO may form subcommittees that, at the discretion of the ISO, may report to the Planning Advisory Committee.

2.2 Role of Planning Advisory Committee

The Planning Advisory Committee may provide input and feedback to the ISO concerning the regional system planning process, including the development of and review of Needs Assessments, the conduct of Solutions Studies, the development of the RSP, and updates to the RSP Project List. Specifically, the Planning Advisory Committee serves to review and provide input and comment on: (i) the development of the RSP, (ii) assumptions for studies, (iii) the results of Needs Assessments, Solutions Studies, and competitive solutions developed pursuant to Section 4.3 of this Attachment, (iv) potential market responses to the needs identified by the ISO in a Needs Assessment or the RSP, (v) Cluster Enabling Transmission Upgrades Regional Planning Studies, (vi) the results of Public Policy Transmission Studies and competitive solutions developed pursuant to Section 4A of this Attachment, and (vii) Longer-Term Transmission Studies and competitive solutions developed pursuant to Section 16 of this Attachment.

The Planning Advisory Committee, with the assistance of and in coordination with the ISO, serves also to identify and prioritize the Stakeholder-Requested Scenario and stakeholder-requested scenario sensitivities for Economic Studies to be performed by the ISO, and provides input and feedback to the ISO concerning the conduct of Economic Studies, including the criteria and assumptions. Based on input and feedback related to the regional system planning process provided by the Planning Advisory Committee to the ISO, the ISO shall consult with the appropriate NEPOOL technical committees, including but not limited to, the Markets, Reliability and Transmission Committees, on issues and concerns identified by the Planning Advisory Committee as requiring further investigation and consideration of potential changes to ISO New England Operating Documents.

2.3 Membership

There are no membership requirements to become part of the Planning Advisory Committee. Meetings are open to members of any entity, including State regulators or agencies and NESCOE, subject to the Critical Energy Infrastructure Information (“CEII”) policy as further described in Section 2.4(d) of this Attachment. To be added to the Planning Advisory Committee email distribution list, an email address shall be provided to the Secretary of the Committee. Throughout this Attachment K, a member of the Planning Advisory Committee refers to any individual, whether they attend Planning Advisory Committee meetings or are included on the email distribution list.

2.4 Procedures

(a) Notice of Meetings

Prior to the beginning of each year, the ISO shall list on the ISO Calendar, which is available on the ISO’s website, the proposed meeting dates for the Planning Advisory Committee for each month of the year. Prior to a Planning Advisory Committee meeting, the ISO shall provide notice to the Planning Advisory Committee by electronic email with the date, time, format for the meeting (i.e., in person or teleconference), and the purpose for the meeting.

(b) Frequency of Meetings

Meetings of the Planning Advisory Committee shall be held as frequently as necessary to serve the purposes stated in Section 2.2 of this Attachment and as further specified elsewhere in this Attachment, generally expected to be no less than four (4) times per year.

(c) Availability of Meeting Materials

The ISO shall post materials for Planning Advisory Committee meetings on the Planning Advisory Committee section on the ISO’s website prior to meetings. The materials for the Planning Advisory Committee meetings shall be made available to the members of the Planning Advisory Committee subject to protections warranted by confidentiality requirements of the ISO New England Information Policy set forth in Attachment D of the ISO Tariff and Critical Energy Infrastructure Information (“CEII”) policy as further described in Section 2.4(d) of this Attachment.

(d) Access to Planning-Related Materials that Contain CEII

CEII is defined as specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or virtual) that:

- (i) Relates details about the production, generation, transportation, transmission, or distribution of energy;
- (ii) Could be useful to a person in planning an attack on critical infrastructure;
- (iii) Is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. 552; and
- (iv) Does not simply give the location of critical infrastructure.

CEII pertains to existing and proposed system and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters. CEII does not include information that is otherwise publicly available. Simplified maps and general information on engineering, vulnerability, or design that relate to production, generation, transportation, transmission or distribution of energy shall not constitute CEII.

Planning-related materials determined to be CEII will be posted on the ISO's password-protected website. To obtain access to planning-related materials determined to be CEII, the entity seeking to obtain such access must contact the ISO's Customer Service department. Authorized Market Participants or their representatives, such as consultants, are bound by the ISO New England Information Policy and will be able to access CEII materials through the ISO's password-protected website. State and federal governmental agency employees and their consultants will be able to access such materials through the ISO's password-protected website upon submittal of a signed non-disclosure agreement, which is available on the ISO's website. Personnel of the ERO, NPCC, other regional transmission organizations or independent system operators, and transmission owners from neighboring regions will be able to access CEII materials pursuant to governing agreements, rules and protocols. All external requests by other persons for planning-related materials determined to be CEII shall be recorded and tracked by ISO's Customer Services staff. Such requestors will be able to obtain access to CEII documents filed with

the Commission pursuant to the Commission's regulations governing access to CEII. To the extent a requestor seeks access to planning-related material that is not filed with the Commission, such requestor shall comply with the requirements provided in the CEII procedures of the ISO, available on the ISO's website, prior to receiving access to CEII information. Upon compliance with the ISO's CEII procedures, the ISO shall grant the requestor access to the planning-related CEII document through direct distribution or access to the ISO password-protected website.

2.5 Local System Planning Process

The LSP process described in Appendix 1 to this Attachment applies to the transmission system planning for the Non-PTF in the New England Transmission System. The PTOs will utilize interested members of the Planning Advisory Committee for advisory stakeholder input in the LSP process that will meet, as needed, at the conclusion of, or independent of, scheduled Planning Advisory Committee meetings. The LSP meeting agenda and meeting materials will be developed by representatives of the pertinent PTOs and PTO representatives will chair the LSP meeting. The ISO will post the LSP agenda and materials for LSP.

3. RSP: Principles, Scope, and Contents

3.1 Description of RSP

The ISO shall develop the RSP based on periodic comprehensive assessments (conducted not less than every third year) of the PTF systemwide needs to maintain the reliability of the New England Transmission System while accounting for market efficiency, economic, environmental, and other considerations, as agreed upon from time to time. The ISO shall update the RSP to reflect the results of ongoing Needs Assessments conducted pursuant to Section 4.1 of this Attachment. The RSP shall also account for projected improvements to the PTF that are needed to maintain system reliability in accordance with national and regional standards and the operation of efficient markets under a set of planning assumptions.

The RSP shall, among other things:

- (i) describe, in a consolidated manner, the assessment of the PTF system needs, the results of such assessments, and the projected improvements;

- (ii) provide the projected annual and peak demands for electric energy for a five-to ten-year horizon, the needs for resources over this period and how such resources are expected to be provided;
- (iii) specify the physical characteristics of the physical solutions that can meet the needs defined in the Needs Assessments and include information on market responses that can address them; and
- (iv) provide sufficient information to allow Market Participants to assess the quantity, general locations, operating characteristics and required availability criteria of the type of incremental supply or demand-side resources, or merchant transmission projects, that would satisfy the identified needs or that may serve to modify, offset or defer proposed regulated transmission upgrades.

The RSP shall also include a description of proposed regulated transmission solutions that, based on the Solutions Studies described in Section 4.2 of this Attachment and the competitive solution process described in Sections 4.3 and 16 of this Attachment, meets the needs identified in the Needs Assessments. To this end, as further described in Section 3.6 below, the ISO shall develop and maintain a RSP Project List, a cumulative listing of proposed regulated transmission solutions classified, to the extent known, as Reliability Transmission Upgrades, Market Efficiency Transmission Upgrades, Longer-Term Transmission Upgrades, and Public Policy Transmission Upgrades (which, for the foregoing types of upgrades, may include the portions of Interregional Transmission Projects located within the New England Control Area) and of External Transmission Projects. The RSP shall also provide reasons for any new regulated transmission solutions or Transmission Upgrades included in the RSP Project List, any change in status of a regulated transmission solution or Transmission Upgrade in the RSP Project List, or for any removal of regulated transmission solutions or Transmission Upgrades from the RSP Project List that are known as of that time.

Each RSP shall be built upon the previous RSP.

3.2 Baseline of RSP

The RSP shall account for: (i) all projects that have met milestones, including market responses and regulated transmission solutions (e.g., planned demand-side projects, generation and transmission projects and Elective Transmission Upgrades) as determined by the ISO, in collaboration with the Planning Advisory Committee, pursuant to Sections 4.1, 4.2, 4.3, 4A, and 16 of this Attachment; and (ii) the requirements for system operation and restoration services, not including the development of a system operations or restoration plan, which is outside the scope of the regional system planning process.

3.3 RSP Planning Horizon and Parameters

The RSP shall be based on a five-to ten-year planning horizon, and reflect five-to ten-year capacity and load forecasts.

The RSP shall conform to: Good Utility Practice; applicable Commission compliance requirements related to the regional system planning process; applicable reliability principles, guidelines, criteria, rules, procedures and standards of the ERO, NPCC, and any of their successors; planning criteria adopted and/or developed by the ISO; Transmission Owner criteria, rules, standards, guides and policies developed by the Transmission Owner for its facilities consistent with the ISO planning criteria, the applicable criteria of the ERO and NPCC; local transmission planning criteria; and the ISO New England Planning Procedures and ISO New England Operating Procedures, as they may be amended from time to time (collectively, the “Planning and Reliability Criteria”).

The revisions to this Attachment K submitted to comply with FERC’s Order No. 1000 shall not apply to any Proposed or Planned project included in an RSP approved by the ISO Board of Directors (or in an RSP Project List update) prior to the May 18, 2015 effective date of the Order No. 1000 compliance filing of the ISO and the PTOs, unless the ISO is re-evaluating the solution design for such project as of that effective date, or subsequently determines that the solution design for such project requires re-evaluation.

3.4 Other RSP Principles

The RSP shall be designed and implemented to: (i) avoid unnecessary duplication of facilities; (ii) identify facilities that are necessary to meet Planning and Reliability Criteria; (iii) avoid the imposition of unreasonable costs upon any Transmission Owner, Transmission Customer or other user of a transmission facility; (iv) take into account the legal and contractual rights and obligations of the Transmission Owners and the transmission-related legal and contractual rights and obligations of any other entity; (v) provide

for coordination with existing transmission systems and with appropriate inter-area and local expansion plans; and (vi) properly coordinate with market responses, including, but not limited to generation, merchant transmission and demand-side responses.

3.5 Market Responses in RSP

Market responses shall include investments in resources (e.g., demand-side projects, generation and distributed generation) and Elective Transmission Upgrades and shall be evaluated by the ISO, in consultation with the Planning Advisory Committee, pursuant to Sections 4.1(f), 4A.3(b), and 7 of this Attachment.

In developing the RSP, the ISO shall account for market responses: (i) proposed by Market Participants as addressing needs (and any critical time constraints for addressing such needs) identified in an RSP, Needs Assessment, or Public Policy Transmission Study; and (ii) that have proved to be viable by meeting the criteria specified in Section 4.1(f) or 4A.3(b) of this Attachment, as applicable.

Specifically, market responses that are identified to the ISO and are determined by the ISO, in consultation with the Planning Advisory Committee, to be sufficient to alleviate the need for a particular regulated transmission solution or Transmission Upgrade, based on the criteria specified in the pertinent Needs Assessment or RSP, and are judged by the ISO to be achievable within the required time period, shall be reflected in the next RSP and/or in a new or updated Needs Assessment. That particular regulated transmission solution or Transmission Upgrade may continue to be included in the appropriate category on the RSP Project List (as described in Section 3.6 below), subject to the ISO having the flexibility to indicate that the project should proceed at a later date or it may be removed if it is determined to be no longer needed. If the market response does not fully address the defined needs, or if additional transmission infrastructure is required to facilitate the efficient operation of the market, the RSP shall also include that particular regulated transmission solution or Transmission Upgrade, subject to the ISO having the flexibility to indicate that the Transmission Upgrade or regulated transmission solution should proceed at a later date and be modified, if necessary.

3.6 The RSP Project List

(a) Elements of the RSP Project List

The RSP Project List shall identify regulated transmission solutions proposed in response to the needs identified in a RSP or Needs Assessments conducted pursuant to Section 4.1 of this Attachment, Public Policy Transmission Upgrades identified pursuant to Section 4A of this Attachment, and Longer-Term Transmission Upgrades identified pursuant to Section 16 of this Attachment. The RSP Project List shall identify the proposed regulated transmission solutions separately as a Reliability Transmission Upgrade, a Market Efficiency Transmission Upgrade, a Public Policy Transmission Upgrade, or a Longer-Term Transmission Upgrade.

With regard to Reliability Transmission Upgrades, Market Efficiency Transmission Upgrades, Public Policy Transmission Upgrades, and Longer-Term Transmission Upgrades, the following subcategories will be utilized to indicate the status of each proposed regulated transmission solution in the evaluation process. These subcategories include: (i) Proposed; (ii) Planned; (iii) Under Construction; and (iv) In-Service.

The regulated transmission solution subcategories are defined as follows:

(i) For purposes of Reliability Transmission Upgrades and Market Efficiency Transmission Upgrades, “Proposed” shall include a regulated transmission solution that (a) has been proposed in response to a specific need identified by the ISO in a Needs Assessment or the RSP and (b) has been evaluated or further defined and developed in a Solutions Study, as specified in Section 4.2(a) of this Attachment, or in the competitive solutions process specified in Section 4.3 of this Attachment, such that there is significant analysis that supports a determination by the ISO, as communicated to the Planning Advisory Committee, that the proposed regulated transmission solution would likely meet the need identified by the ISO in a Needs Assessment or the RSP, but has not received approval by the ISO under Section I.3.9 of the Tariff.

For purposes of Public Policy Transmission Upgrades and Longer-Term Transmission Upgrades, “Proposed” means that the ISO has included the project in the RSP Project List pursuant to the procedures described in Section 4A or 16 of this Attachment K, but that the project has not yet been approved by the ISO under Section I.3.9 of the Tariff.

(ii) “Planned” shall include a Transmission Upgrade that has met the requirements for a Proposed project and has been approved by the ISO under Section I.3.9 of the Tariff.

(iii) “Under Construction” shall include a Transmission Upgrade that has received the approvals required under the Tariff and engineering and construction is underway.

(iv) “In Service” shall include a Transmission Upgrade that has been placed in commercial operation.

The RSP Project List shall also list External Transmission Projects for which cost allocation and, if applicable, operating agreements have been accepted by the Commission, and indicate whether such External Transmission Projects are proposed, under construction or in service.

Each Reliability Transmission Upgrade and Market Efficiency Transmission Upgrade shall be cross-referenced to the specific systemwide or area needs identified in a Needs Assessment or RSP. Each proposed Public Policy Transmission Upgrade shall be cross-referenced in the RSP Project List to a specific Public Policy Transmission Study. Each proposed Longer-Term Transmission Upgrade shall be cross-referenced in the RSP Project List to a specific Longer-Term Transmission Study.

For completeness, the RSP Project List shall also include Elective Transmission Upgrades and transmission facilities (as determined under the ISO interconnection process specified in this OATT) to be built to accommodate new generation, and Elective Transmission Upgrades that have satisfied the requirements of this OATT.

An Interregional Transmission Project developed pursuant to Section 6.3 of this Attachment K may displace a regional Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade on the RSP Project List where the ISO has determined that the Interregional Transmission Project is a more efficient or cost-effective solution.

In the case of an Interregional Transmission Project that could meet the needs met by a Public Policy Transmission Upgrade, the associated Public Policy Transmission Upgrade may be removed from the RSP Project List in the circumstances described, and using the procedures specified, in Section 4A of Attachment K.

(b) Periodic Updating of RSP Project List

The RSP Project List will be updated by the ISO periodically by adding, removing or revising regulated transmission solutions or Transmission Upgrades in consultation with the Planning Advisory Committee and, as appropriate, the Reliability Committee.

Updating of the RSP Project List shall be considered an update of the RSP to be reflected in the next RSP, as appropriate, pursuant to Section 3.1 of this Attachment.

(c) RSP Project List Updating Procedures and Criteria

As part of the periodic updating of the RSP Project List, the ISO: (i) shall modify (in accordance with the provisions of this Attachment) regulated transmission solutions or Transmission Upgrades to reflect changes to the PTF system configurations, including ongoing investments by Market Participants or other stakeholders; (ii) may add to and classify accordingly, regulated transmission solutions; (iii) may remove from the RSP Project List regulated transmission solutions or Transmission Upgrades previously identified in the RSP Project List if the ISO determines that the need for the proposed regulated transmission solution or the approved Transmission Upgrade no longer exists or is no longer feasible; and (iv) may remove from the RSP Project List regulated transmission solutions or Transmission Upgrades that have been displaced by an Interregional Transmission Project in the circumstances described in Section 3.6(a) of this Attachment. With regard to (iii) above, this may include the removal of a regulated transmission solution or Transmission Upgrade because a market response meeting the need reaches the maturity specified in Sections 4.1(f) or 4A.3(b) of this Attachment and has been determined, pursuant to Sections 4.1(f) or 4A.3(b) of this Attachment, to meet the need described in the pertinent Needs Assessment, Public Policy Transmission Study or RSP, as applicable. In doing so, the ISO shall consult with and consider the input from the Planning Advisory Committee and, as appropriate, the Reliability Committee. In

addition, the ISO shall remove from the RSP Project List any Public Policy Transmission Upgrade if the ISO determines, with input from the Planning Advisory Committee, that the need to which the Public Policy Transmission Upgrade responds no longer exists. Furthermore, the ISO shall remove from the RSP Project List any Longer-Term Transmission Upgrade if requested to do so in a written NESCOE communication.

If a regulated transmission solution or Transmission Upgrade is removed from the RSP Project List by the ISO, the entity responsible for the construction of the regulated transmission solution or Transmission Upgrade shall be reimbursed for any costs prudently incurred or prudently committed to be incurred (plus a reasonable return on investment at existing Commission-approved ROE levels) in connection with the planning, designing, engineering, siting, permitting, procuring and other preparation for construction, and/or construction of the regulated transmission solution or Transmission Upgrade proposed for removal from the RSP Project List. The provisions of Schedule 12, Schedule 13, Schedule 14, and Schedule 14A of this OATT shall apply to any cost reimbursement under this Section. Prior to finalizing the RSP, the ISO shall provide the Planning Advisory Committee with written information explaining the reasons for any removal under this Section.

(d) Posting of LSP Project Status

Each PTO will be individually responsible for publicly posting and updating the status of its respective LSP and the transmission projects arising therefrom on its company website. The ISO's posting of the RSP Project Lists will include links to each PTO's specific LSP posting to be provided to the ISO by the PTOs.

4. Procedures for the Conduct of Needs Assessments, Treatment of Market Responses and Evaluation of Regulated Transmission Solutions

4.1 Needs Assessments

The regional system planning process established in this Attachment K has four different processes. Except as otherwise provided in Section 16 of this Attachment, the reliability planning process established in this Attachment K shall apply to all transmission solutions adopted to resolve a reliability need, and the market efficiency planning process established in this Attachment K shall apply to all

transmission solutions adopted to resolve a market efficiency need. The public policy planning process established in this Attachment K shall apply to all transmission solutions adopted to resolve a public policy need. The longer-term transmission planning procedures established in this Attachment K shall apply to all transmission solutions adopted to resolve a longer-term need, and may apply to a non-time-sensitive reliability or market-efficiency need to the extent identified by the ISO and combined with longer-term needs in a request for proposal(s) requested by NESCOE in accordance with Section 16.4(a) of this Attachment K.

As described further in Section 4.1(a) below, the planning process in Section 17 of this Attachment K shall be used to identify market efficiency issues and, along with Section 4.1(a), trigger market efficiency Needs Assessments. Market efficiency Needs Assessments shall be conducted pursuant to this Section 4.

For needs identified initially as reliability, market efficiency or public policy needs, the collateral benefits of potential solutions to those needs shall not change the planning process applicable to those identified needs; notwithstanding the foregoing, the ISO shall report its views as to whether a project or preferred solution may also satisfy identified reliability needs of the system as described in Section 4A.8 of this Attachment K.

Sections 4.1 through 4.3 of this Attachment are not applicable to the planning of Public Policy Transmission Upgrades, which is governed instead by Section 4A of this Attachment. Sections 4.1 through 4A of this Attachment are not applicable to the planning of Longer-Term Transmission Upgrades, which is governed instead by Section 16 of this Attachment.

On a regular and ongoing basis, the ISO, in coordination with the PTOs and the Planning Advisory Committee, shall conduct assessments (i.e., Needs Assessments) of the adequacy of the PTF system, as a whole or in part, to maintain the reliability of such facilities (i.e., reliability Needs Assessment) and the operation of efficient wholesale electric markets in New England (i.e., market efficiency Needs Assessment). A Needs Assessment shall analyze whether the PTF in the New England Transmission System: (i) meet applicable reliability standards; (ii) have adequate transfer capability to support local, regional, and inter-regional reliability; (iii) support the efficient operation of the wholesale electric markets; (iv) are sufficient to integrate new resources and loads on an aggregate or regional basis; or (v) otherwise examine various aspects of its performance and capability. A Needs Assessment shall also

identify: (i) the location and nature of any potential problems with respect to the PTF and (ii) situations that significantly affect the reliable and efficient operation of the PTF along with any critical time constraints for addressing the needs of the PTF to facilitate the development of market responses and to initiate the pursuit of regulated transmission solutions.

(a) Triggers for Needs Assessments

The ISO, in coordination with the PTOs and the Planning Advisory Committee, shall perform Needs Assessments, inter alia, as needed to:

- Assess compliance with reliability standards and criteria (including those established by the ISO, NERC, and NPCC) consistent with the long term needs of the system.
- Assess the adequacy of the transmission system capability, such as transfer capability, to support local, regional and interregional reliability.
- Assess the efficient operation of the wholesale electric market. (See Attachment N regarding the identification of market efficiency upgrades).
- Assess sufficiency of the system to integrate new resources and loads on an aggregate or regional basis as needed for the reliable and efficient operation of the system.
- Analyze various aspects of system performance. (Including but not limited to, transient network analysis, small signal analysis, electromagnetic transients program analysis, or delta P analysis).
- Examine short circuit performance of the system.
- Assess the ability to efficiently operate and maintain the transmission system.
- Address market efficiency issues.
- Address system performance in consideration of de-list bids and cleared demand bids consistent with sections 4.1(c) and 4.1(f) of Attachment K.
- Address system performance as otherwise deemed appropriate by the ISO.

(b) [RESERVED]

(c) Conduct of a Needs Assessment for Rejected De-List Bids

- (i) In the case of a rejected Static De-List Bid or Dynamic De-List Bid, the ISO may as warranted, with advisory input from the Reliability Committee, examine the unavailability of the resource(s) with the rejected bid as a sensitivity in a Needs Assessment, or examine the unavailability of the resource(s) in the base representation in a Needs Assessment. The ISO may as warranted, with advisory input from the Reliability Committee, initiate a Needs Assessment for the purpose of modeling rejected Static De-List Bids or Dynamic De-List Bids where the ISO believes that the initiation of such a study is warranted.
- (ii) Prior to the start of each New Capacity Show of Interest Submission Window, the ISO shall present to the Reliability Committee the status of any prior rejected Dynamic De-List Bids, Static De-List Bids, Permanent De-List Bids or Retirement De-List Bids being studied in the regional system planning process.

(d) Notice of Initiation of Needs Assessments

Prior to its commencement, the ISO shall provide notice of the initiation of a Needs Assessment to the Planning Advisory Committee consistent with Section 2 of this Attachment.

(e) Preparation of Needs Assessment

Needs Assessments may examine resource adequacy, transmission adequacy, projected congestion levels and other relevant factors as may be agreed upon from time to time. Needs Assessments shall also consider the views, if any, of the Planning Advisory Committee, State regulators or agencies, NESCOE, the Market Advisor to the ISO Board of Directors, and the ISO Board of Directors. A corresponding assessment shall be performed by the PTOs to identify any needs relating to the Non-PTF transmission facilities (of whatever voltage) that could affect the provision of Regional Transmission Service over the PTF.

(f) Treatment of Market Responses in Needs Assessments

The ISO shall reflect proposed market responses in the regional system planning process. Market responses may include, but are not limited to, resources (e.g., demand-side projects and distributed generation), and Elective Transmission Upgrades.

In performing Needs Assessments, the ISO shall rely on certain resources to prevent the identification of system needs. Specifically, the ISO shall incorporate or update information regarding future resources, with the exception of imports across external tie lines, in Needs Assessments that have been proposed and (i) have cleared in a Forward Capacity Auction pursuant to Market Rule 1 of the ISO Tariff, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) have been forecast in the ISO's Forecast Report of Capacity, Energy, Loads and Transmission. The ISO shall also incorporate or update information regarding all existing resources, with the exception of imports across external tie lines, in Needs Assessments. Imports across future or existing external tie lines will not be relied upon unless such imports (i) have a Capacity Supply Obligation corresponding to the year of study, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) may be represented by a minimum flow based on HQ Interconnection Capability Credits. The ISO will model out-of-service all submitted Retirement De-List Bids, submitted Permanent De-List Bids, and demand bids that have cleared in a substitution auction, and may model out-of-service rejected-for-reliability Static De-List Bids and rejected-for-reliability Dynamic De-List Bids from the most recent Forward Capacity Auction. With respect to having been selected in, and being contractually bound by a state-sponsored request for proposals, or having a financially binding obligation pursuant to a contract, demonstration of such contracts is accomplished through submittal for ISO review of an order or other similar authorization from the appropriate state regulatory agency, along with a copy of the contract, that together demonstrate the contractual requirements. These documents may be submitted by: the Project Sponsor; the state regulatory agency authorizing the contract; a transmission company that is a counterparty to the contract; or by a third-party organization representing the interests of the New England states regarding energy related issues, such as NESCOE. The ISO shall incorporate or update information regarding a proposed Elective Transmission Upgrade in a Needs Assessment at a time after the studies corresponding to the Elective Transmission Upgrade are completed (including receipt of

approval under Section I.3.9 of the Tariff), a commercial operation date has been ascertained, and for which the certification has been accepted in accordance with Section III.12 of the Tariff. In the case where the Elective Transmission Upgrades are proposed in conjunction with the interconnection of a resource, these Elective Transmission Upgrades shall be considered at the same time as the proposed resource is considered in the Needs Assessment provided that the studies corresponding to the Elective Transmission Upgrade are completed (including receipt of approval under Section I.3.9 of the Tariff), a commercial operation date has been ascertained, and for which the certification has been accepted in accordance with Section III.12 of the Tariff.

(g) Needs Assessment Support

For the development of the Needs Assessments, the ISO will coordinate with the PTOs and the Planning Advisory Committee to support the ISO's performance of Needs Assessments. To facilitate this support, the ISO will post on its website the models, files, cases, contingencies, assumptions and other information used to perform Needs Assessments. The ISO may establish requirements that any PTO or member of the Planning Advisory Committee must satisfy in order to access certain information used to perform Needs Assessments, due to ISO New England Information Policy and CEII constraints. The ISO may ask PTOs or Planning Advisory Committee members with special expertise to provide technical support or perform studies required to assess one or more potential needs that will be considered in the Needs Assessments process. These entities will provide, and the ISO will post on its website, the models, files, cases, contingencies, assumptions and other information used by those entities to perform studies. The ISO will post the draft results of any such Needs Assessment studies on its website. The ISO will convene meetings open to any representative of an entity that is a member of the Planning Advisory Committee to facilitate input on draft Needs Assessments studies and the inputs to those studies prior to the ISO's completion of a draft Needs Assessment report to be reviewed by the entire Planning Advisory Committee pursuant to Section 4.1(i) of this Attachment. All provisions of this subsection (g) relating to the provision and sharing of information shall be subject to the ISO-NE Information Policy.

(h) Input from the Planning Advisory Committee

Meetings of the Planning Advisory Committee shall be convened to identify additional considerations relating to a Needs Assessment that were not identified in support of initiating the

assessment, and to provide input on the Needs Assessment's scope, assumptions and procedures, consistent with the responsibilities of the Planning Advisory Committee as set forth in Section 2.2 of this Attachment.

(i) Publication of Needs Assessment and Response Thereto

The ISO shall report the results of Needs Assessments to the Planning Advisory Committee, subject to CEII constraints. Needs Assessments containing CEII will be posted on the ISO's password-protected website consistent with Section 2.4(d) of this Attachment. Needs Assessments will identify high-level functional requirements and characteristics for regulated transmission solutions and market responses that can meet the needs described in the assessment. Where the ISO forecasts that a solution is needed to solve reliability criteria violations in three years or less from the completion of a Needs Assessment (unless the solution to the Needs Assessment will likely be a Market Efficiency Transmission Upgrade), and the requirements of Section 4.1(j) of this Attachment have been met or where there is only one Phase One Proposal submitted in response to a request for proposal issued under Sections 4.3(a) of this Attachment or only one proposed solution that is selected to move on as a Phase Two Solution, the ISO will evaluate the adequacy of proposed regulated solutions by performing Solutions Studies, as described in Section 4.2 of this Attachment. Where the solution to a Needs Assessment will likely be a Market Efficiency Transmission Upgrade, or where the forecast year of need for a solution that is likely to be a Reliability Transmission Upgrade is more than three years from the completion of a Needs Assessment, the ISO will conduct a solution process based on a two-stage competitive solution process, as described in Section 4.3 of this Attachment.

(j) Requirements for Use of Solutions Studies Rather than Competitive Solution Process for Projects Based on Year of Need

The following requirements must be met in order for the ISO to use Solutions Studies in the circumstances described in Section 4.1(i) based on the solution's year of need:

- (i) The ISO shall separately identify and post on its website an explanation of the reliability criteria violations and system conditions that the region has a time-sensitive need to solve within three years of the completion of the relevant Needs Assessment. The explanation

shall be in sufficient detail to allow stakeholders to understand the need and why it is time-sensitive.

- (ii) In deciding whether to utilize Solutions Studies, such that the regulated transmission solution will be developed through a process led by the ISO and built by the PTO(s), the ISO shall:
 - (A) Provide to the Planning Advisory Committee and post on its website a full and supported written description explaining the decision to designate a PTO as the entity responsible for construction and ownership of the reliability project, including an explanation of other transmission or non-transmission options that the region considered but concluded would not sufficiently address the immediate reliability need, and the circumstances that generated the reliability need and an explanation of why that reliability need was not identified earlier.
 - (B) Provide a 15-day period during which comments from stakeholders on the posted description may be sent to the ISO, which comments will be posted on the website, as well.
- (iii) The ISO shall maintain and post on its website a list of prior year designations of all projects in the limited category of transmission projects for which the PTO(s) was designated as the entity responsible for construction and ownership of the project following the performance of Solutions Studies. The list must include the project's need-by date and the date the PTO(s) actually energized the project, i.e., placed the project into service. The ISO shall file such list with the Commission as an informational filing in January of each calendar year covering the designations of the prior calendar year, when applicable.

4.2 Evaluation of Regulated Transmission Solutions in Solutions Studies, Where Competitive Solution Process of Section 4.3 Is Not Applicable

The procedures described in this Section 4.2 shall be utilized for the evaluation of regulated transmission solutions for reliability and market efficiency needs where the requirements of Sections 4.1(i) and/or (j) of this Attachment are satisfied. Otherwise, the procedures of Section 4.3 shall be utilized for that purpose.

(a) Evaluation and Development of Regulated Transmission Solutions in Solutions Studies for Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades

In the case of Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades, the ISO, in coordination with the proponents of regulated transmission solutions and other interested or affected stakeholders, shall conduct or participate in studies (“Solutions Studies”) to evaluate whether proposed regulated transmission solutions meet the PTF system needs identified in Needs Assessments. The ISO, in coordination with affected stakeholders shall also identify regulated transmission projects for addressing the needs identified in Needs Assessments.

The ISO may form ISO-led targeted study groups to conduct Solutions Studies. Such study groups will include representatives of the proponents of regulated transmission solutions and other interested or affected stakeholders. Through this process, the ISO may identify the solutions for the region that offer the best combination of electrical performance, cost, future system expandability, and feasibility to meet a need identified in a Needs Assessment in the required time frame. These solutions may differ from a transmission solution proposed by a transmission owner.

Proponents of regulated transmission proposals in response to Needs Assessments shall also identify any LSP plans that require coordination with their regulated transmission proposals addressing the PTF system needs.

(b) Notice of Initiation of a Solutions Study

The ISO shall provide notice of the initiation and scope of a Solutions Study to the Planning Advisory Committee.

(c) Classification of Regulated Transmission Solutions as Market Efficiency Transmission Upgrades or Reliability Transmission Upgrades

As described in Section 3.1 and 3.6(a) of this Attachment, proposed regulated transmission solutions determined by the ISO, in consultation with the Planning Advisory Committee, to address needs identified in Needs Assessments shall be classified as a Reliability Transmission

Upgrade and/or a Market Efficiency Transmission Upgrade pursuant to the standards set forth in Attachment N of this OATT.

(d) Evaluation Factors Used for Identification of the Preferred Solution

Factors to be considered during the evaluation process for identification of the preferred solution may include, but are not limited to, the following which are listed in no particular order:

- Installed cost;
- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;
- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;
- Loss savings;
- Replacement of aging infrastructure;
- Environmental impact;
- Design standards; and
- Impact on NPCC Bulk Power System classification.

(e) Identification of the Preferred Solution and Inclusion of Results of Solutions Studies for Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades in the RSP

The results of Solutions Studies related to Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades will be reported to the Planning Advisory Committee. After receiving feedback from the Planning Advisory Committee, the ISO will identify the preferred solution. The ISO will inform the appropriate Transmission Owners in writing regarding the identification of the preferred solution.

Once identified, the preferred solution, as appropriate, will be reflected (with an overview of why the solution is preferred) in the RSP and/or its Project List, as it is updated from time to time in accordance with this Attachment. Where external impacts of regional projects are identified through coordination by the ISO with neighboring entities, those impacts will be identified in the RSP. Costs associated with such impacts will be addressed as set forth in Schedule 15.

(f) Cancellation of a Solutions Study

The ISO may cancel a Solutions Study at any time. Such cancellation may be due to new or different assumptions which may change or eliminate the identified needs. Any costs associated with Solutions Study development shall be recovered pursuant to Section 3.6(c) of this Attachment.

4.3 Competitive Solution Process for Reliability Transmission Upgrades and Market Efficiency Transmission Upgrades

(a) Initiating the Competitive Solution Process

The ISO will publicly issue a request for proposal for which, pursuant to Section 4.1(i) of this Attachment, a competitive solution process will be utilized. The request for proposal will indicate that a Qualified Transmission Project Sponsor may submit an individual or joint Phase One Proposal(s) offering a solution that addresses the identified needs or address a subset of those needs. In the case where a joint Phase One Proposal is submitted, all parties must be Qualified Transmission Project Sponsors. A Qualified Transmission Project Sponsor may propose a comprehensive solution to address the identified needs, or a subset thereof, that includes an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the Qualified Transmission Project Sponsor's proposed solution relating to the upgrade(s) of an existing transmission system element(s) must provide all data available to the Qualified

Transmission Project Sponsor as part of its response to the request for proposal. The Qualified Transmission Project Sponsor is not required to procure agreements with the PTO for implementation of such upgrades as the PTO is required to implement the upgrade(s) in accordance with Schedule 3.09(a) of the Transmission Operating Agreement if the proposed solution is selected through the competitive process.

A PTO or PTOs identified by the ISO as the Backstop Transmission Solution provider(s) shall submit an individual or joint Phase One Proposal (if more than one PTO is identified) as a Backstop Transmission Solution to comprehensively address all of the needs identified in the request for proposal that would be solved by a project located within or connected to its/their existing electric system, and which it/they would therefore have an obligation to build under Schedule 3.09(a) of the TOA. Such PTOs may recover the costs of preparing the Backstop Transmission Solution in accordance with the mechanisms reflected in the OATT and the terms of the TOA.

A member of the Planning Advisory Committee that is not a Qualified Transmission Project Sponsor but would like the ISO to consider a Phase One Proposal reflecting its concept for a project in response to a request for proposal (that is, a project that is “unsponsored”) must, before the deadline for the submission of Phase One Proposals, identify a Qualified Transmission Project Sponsor willing to submit a corresponding Phase One Proposal and Phase Two Solution (and to develop and construct the project, if selected in the competitive solution process) in order for the unsponsored project to be submitted in response to an ISO solicitation in Phase One. Upon request by the pertinent Planning Advisory Committee member for assistance in identifying a sponsor, the ISO shall post on its website and distribute to the Planning Advisory Committee a notice that solicits expressions of interest by Qualified Transmission Project Sponsors for sponsorship of the member’s conceptual project. All expressions of interest shall include a detailed explanation of why the Qualified Transmission Project Sponsor is best qualified to construct, own and operate the unsponsored project. If only one Qualified Transmission Project Sponsor expresses interest, the ISO shall designate it as the Qualified Transmission Project Sponsor. If more than one Qualified Transmission Project Sponsor expresses interest, the Planning Advisory Committee member shall select the Qualified Transmission Project Sponsor. In either case, the designated Qualified Transmission Project Sponsor shall thereafter comply

with the requirements of this Attachment K and the ISO Tariff with respect to the project. If no Qualified Transmission Project Sponsor expresses interest, the unsponsored project may not be submitted as a Phase One Proposal.

(b) Use and Control of Right of Way

Neither the submission of a project by a Qualified Transmission Project Sponsor nor the selection by the ISO of a project submitted by a Qualified Transmission Project Sponsor for inclusion in the RSP Project List shall alter a PTO's use and control of an existing right of way, the retention, modification, or transfer of which remain subject to the relevant law or regulation, including property or contractual rights, that granted the right-of-way. Nothing in the processes described in this Attachment K requires a PTO to relinquish any of its rights-of-way in order to permit a Qualified Transmission Project Sponsor to develop, construct or own a project.

(c) Information Required for Phase One Proposals; Study Deposit; Timing

Phase One Proposals shall provide the following information:

- (i) a detailed description of the proposed solution, in the manner specified by the ISO, including an identification of the proposed route for the solution and technical details of the project, such as interconnection into the existing transmission system;
- (ii) a detailed explanation of the identified needs that are addressed, how the proposed solution addresses those identified needs, a description of those needs which have not been addressed, and a description of the impact of the Phase One Proposal on those needs which have not been addressed;
- (iii) the proposed schedule, including key high-level milestones, for development, siting, procurement of real estate rights, permitting, construction and completion of the proposed solution;
- (iv) right, title, and interest in rights of way, substations, and other property or facilities, if any, that would contribute to the proposed solution or the means and timeframe by which such would be obtained; and

- (v) the estimated installed costs of the proposed solution, including a high-level itemization of the components of the cost estimate and any cost containment or cost cap measures.

With each proposal, the submitting Qualified Transmission Project Sponsor must include payment of a \$100,000 study deposit per submitted Phase One Proposal to support the cost of Phase One Proposal and Phase Two Solution study work by the ISO. The study deposit of \$100,000 shall be applied towards the costs incurred by the ISO associated with the study of the Phase One Proposal and Phase Two Solution.

Phase One Proposals must be submitted by the deadline specified in the public posting by the ISO of the request for proposal described in Section 4.3(a) of this Attachment, which shall not be less than 60 days from the posting date of the request for proposal. The ISO may reject submittals which are insufficient or not adequately supported.

(d) LSP Coordination

Qualified Transmission Project Sponsors of Phase One Proposals shall also identify any LSP plans that require coordination with their Phase One Proposals.

(e) Review of Phase One Proposals by ISO

If any identified need is only solved by the Backstop Transmission Solution, the ISO shall proceed under Section 4.2 of this Attachment, rather than pursuant to the procedures set forth in the remainder of this Section 4.3.

If all of the identified needs are solved by more than one Phase One Proposal, the ISO shall perform a review of each proposal to determine whether the proposed solution:

- (i) provides sufficient data and that the data is of sufficient quality to satisfy Section 4.3(c) of this Attachment;
- (ii) satisfies one or more of the needs as identified in Section 4.3(c)(ii);

(iii) is technically practicable and indicates possession of, or an approach to acquiring, the necessary rights of way, property and facilities that will make the proposal reasonably feasible in the required timeframe; and

(iv) is eligible to be constructed only by an existing PTO in accordance with Schedule 3.09(a) of the TOA because the proposed solution is an upgrade to existing PTO facilities, or because the costs of the proposed solution are not eligible for regional cost allocation under the OATT and will be allocated only to the local customers of a PTO.

(f) Proposal Deficiencies; Further Information

If the ISO identifies any minor deficiencies in meeting the requirements of Section 4.3(e) in the information provided in connection with a proposed Phase One Proposal, the ISO will notify the submitting Phase One Proposal Qualified Transmission Project Sponsor and provide an opportunity for the sponsor to cure the deficiencies within the timeframe specified by the ISO.

Upon request, Qualified Transmission Project Sponsors of Phase One Proposals shall provide the ISO with additional information reasonably necessary for the ISO's evaluation of the proposed Phase One Proposals. This identification and notification will occur prior to the publication by the ISO of any Phase One Proposals. In providing information under this subsection (f), or in Phase Two Solutions, the Qualified Transmission Project Sponsor may not modify its project materially or submit a new project, but instead may clarify its Phase One Proposal. Phase Two Solutions reflecting a material modification to a Phase One Proposal or representing a new project will be rejected.

(g) Listing of Qualifying Phase One Proposals or Groups of Phase One Proposals

The ISO will provide the Planning Advisory Committee with, and post on the ISO's website, a listing of Phase One Proposals that meet the criteria of Section 4.3(e). The listing will contain Phase One Proposals, either individually or as a group, that solve all of the identified needs. A meeting of the Planning Advisory Committee will be held thereafter in order to solicit stakeholder input on the listing, and the listed proposals. The ISO with input from the Planning Advisory Committee may exclude Phase One Proposals, from the list, and from consideration in Phase Two Solutions, based on a determination that the Phase One Proposal is not competitive with other Phase One Proposals, that have been submitted in terms of cost, electrical performance, future

system expandability, or feasibility. Information on Phase One Proposals containing CEII will be posted on the ISO's protected website consistent with Section 2.4(d) of this Attachment. The ISO may amend its listing based on stakeholder input. The ISO shall post on its website an explanation of why it has determined to exclude a Phase One Proposal from consideration in the Phase Two Solution process.

(h) Information Required for Phase Two Solutions; Identification and Reporting of Preliminary Preferred Phase Two Solution

Qualified Transmission Project Sponsors of Phase One Proposals reflected on the final listing developed pursuant to Section 4.3(g) of this Attachment shall provide the following information in their proposed Phase Two Solutions:

- (i) updates of the information provided in Phase One Proposals, or a certification that the information remains current and correct;
- (ii) list of required major Federal, State and local permits;
- (iii) description of construction sequencing, a conceptual plan for the anticipated transmission and generation outages necessary to construct the Phase Two Solution and their respective durations, and possible constraints;
- (iv) project schedule, with additional detail compared with Phase One Proposals, as specified by the ISO;
- (v) detailed cost component itemization and life-cycle cost including any clarifications to cost containment or cost cap measures that were not included as part of the Phase One Proposal;
- (vi) description of the financing being used;
- (vii) design and equipment standards to be used;

- (viii) description of the authority the Qualified Transmission Project Sponsor(s) has to acquire necessary rights of way;
- (ix) experience of the Qualified Transmission Project Sponsor(s) in acquiring rights of way;
- (x) status of acquisition of right, title, and interest in rights of way, substations, and other property or facilities, if any, that are necessary for the proposed Phase Two Solution;
- (xi) detailed explanation of project feasibility and potential constraints and challenges;
- (xii) description of the means by which the Qualified Transmission Project Sponsor(s) proposes to satisfy legal or regulatory requirements for siting, constructing, owning and operating transmission projects; and
- (xiii) detailed explanation of potential future expandability.

Phase Two Solutions must be submitted to the ISO by the deadline specified in the posting of the final listing (following stakeholder input) of Phase One Proposals described in Section 4.3(g). The deadline for submittal of Phase Two Solutions shall not be less than 60 days from the posting date of the final listing. The ISO may reject Phase Two Solution submittals which are insufficient or not adequately supported.

The ISO will identify the Phase Two Solution, individually or as a group, that offers the best combination of electrical performance, cost, future system expandability and feasibility to comprehensively address all of the needs in the required timeframe as the preliminary preferred Phase Two Solution in response to each request for proposal. The ISO will report the preliminary preferred Phase Two Solution, together with explanatory materials, to the Planning Advisory Committee and seek stakeholder input on the preliminary preferred Phase Two Solution.

The ISO will consider several factors during the evaluation process for identification of the preliminary preferred Phase Two Solution. These factors may include, but are not limited to, the following which are listed in no particular order:

- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;
- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;
- Loss savings;
- Replacement of aging infrastructure;
- Environmental impact;
- Design standards;
- Impact on NPCC Bulk Power System classification; and
- Qualified Transmission Project Sponsor(s) capabilities.

(i) Reimbursement of Phase Two Solution Costs; Collection and Refund of ISO Study Costs

Qualified Transmission Project Sponsors whose Phase One Proposals are listed pursuant to Section 4.3(g) for review as Phase Two Solutions shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff (and, as applicable, the TOA and NTDOA), all prudently incurred costs associated with developing a Phase Two Solution. PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a listed Phase One Proposal proposed by any other Qualified Transmission Project Sponsor.

Any difference between a Qualified Transmission Project Sponsor's study deposit and the actual cost of the Phase One Proposal and Phase Two Solution studies shall be paid by or refunded to the Qualified Transmission Project Sponsor, as appropriate, with interest calculated in accordance with Section 35.19a(a)(2) of the FERC regulations. Any refund payment shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any invoice to collect funds in addition to the deposit shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any disputes arising from the study process shall be addressed under the dispute resolution process specified in Section I.6 of the ISO Tariff.

(j) Selection of the Preferred Phase Two Solution

Following receipt of stakeholder input, the ISO will identify the preferred Phase Two Solution, individually or as a group, (with an overview of why the solution is preferred) by a posting on its website. The ISO's identification will select the project that offers the best combination of electrical performance, cost, future system expandability and feasibility to meet the need in the required timeframe. The ISO will also notify the Qualified Transmission Project Sponsor(s) that proposed the preferred Phase Two Solution that its project has been selected for development. The preferred Phase Two Solution may include an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases the ISO will notify the PTO that have upgrades required by the preferred Phase Two Solution to proceed in accordance with Schedule 3.09(a) of the Transmission Operating Agreement. Once the ISO has identified the preferred Phase Two Solution, any remaining Phase Two Solutions, along with the Backstop Transmission Solution, must stop all development. The ISO will include the project as a Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade, as appropriate, in the RSP and/or its Project List, as it is updated from time to time in accordance with this Attachment. Where external impacts of regional projects are identified through coordination by the ISO with neighboring entities, those impacts will be identified in the RSP. Costs associated with such impacts will be addressed as set forth in Schedule 15.

(k) Execution of Selected Qualified Transmission Project Sponsor Agreement

Within 30 days of receiving notification pursuant to Section 4.3(j) of this Attachment, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Phase Two Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of receiving notification pursuant to Section 4.3(j) of this Attachment, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Phase Two Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

(l) Failure to Proceed

If the ISO finds, after consultation with a PTO Qualified Transmission Project Sponsor(s), that one or more of the Qualified Transmission Project Sponsors is failing to pursue approvals or construction in a reasonably diligent fashion, the ISO will notify all Qualified Transmission Project Sponsors that one or more of the Qualified Transmission Project Sponsors is failing to pursue approvals or construction in a reasonably diligent fashion. The Qualified Transmission Project Sponsor(s) that is failing to pursue approvals or construction in a reasonably diligent fashion will have 60 days from the ISO's notification to reassign a portion or all of the preferred Phase Two Solution to another Qualified Transmission Project Sponsor in accordance with Section 8 of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). In the event that such reassignment does not occur within 60 days, the ISO shall require the applicable PTO(s) to execute the Selected Qualified Transmission Project Sponsor Agreement and implement the Backstop Transmission Solution pursuant to Schedule 3.09(a) of the Transmission Operating Agreement. In such cases the ISO shall prepare a report explaining why it has reassigned the project. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the report shall be consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO shall file its report (whether with respect to a PTO or non-PTO Qualified Transmission Project Sponsor) with the Commission.

(m) Cancellation of a Request for Proposal

The ISO may cancel a request for proposal at any time. Such cancellation may be due to new or different assumptions which may change or eliminate the identified needs. Any costs associated with solution development shall be recovered pursuant to Sections 3.6(c), 4.3(a) and 4.3(i) of this Attachment.

4A. Public Policy Transmission Studies; Public Policy Transmission Upgrades

4A.1 NESCOE Requests for Public Policy Transmission Studies

No less often than every three years, by January 15 of that year, the ISO will post a notice indicating that members of the Planning Advisory Committee may, no later than 45 days after the posting of the notice: (i) provide NESCOE, via the process described below, with input regarding state and federal Public Policy Requirements identified as driving transmission needs relating to the New England Transmission System, and regarding particular transmission needs driven by those Public Policy Requirements, and (ii) provide the ISO with input regarding local (e.g., municipal and county) Public Policy Requirements identified as driving transmission needs relating to the New England Transmission System, and regarding particular transmission needs driven by those Public Policy Requirements. A meeting of the Planning Advisory Committee may be held for this purpose. Members of the Planning Advisory Committee shall direct all such input related to state, federal, and local Public Policy Requirements that drive transmission needs to the ISO and the ISO will post such input on the ISO's website. By no later than May 1 of that year, NESCOE may submit to the ISO in writing a request for a new Public Policy Transmission Study, or an update of a previously conducted study. The request will identify the Public Policy Requirements identified as driving transmission needs relating to the New England Transmission System, and may identify particular NESCOE-identified public policy-related transmission needs as well. Along with any such request, NESCOE will provide the ISO with a written explanation of which transmission needs driven by state or federal Public Policy Requirements the ISO will evaluate for potential solutions in the regional planning process, including why other suggested transmission needs will not be evaluated. The ISO will post the NESCOE request and explanation on the ISO's website. If NESCOE does not provide that listing of identified transmission needs (which may consist of a NESCOE statement of its determination that no transmission needs are driven by state or federal Public Policy Requirements identified during the stakeholder process) and that explanation (which may consist of a NESCOE explanation of why

no transmission needs are driven by state or federal Public Policy Requirements identified during the stakeholder process), the ISO will note on its website that a NESCOE listing and explanation have not been provided. In that circumstance, the ISO will determine subsequently (after opportunity for Planning Advisory Committee input), and post on its website an explanation of, which transmission needs driven by state or federal Public Policy Requirements the ISO will evaluate in the regional planning process, including why other suggested transmission needs will not be evaluated.

4A.1.1 Study of Federal Public Policy Requirements Not Identified by NESCOE; Local Public Policy Requirements

If a stakeholder believes that a federal Public Policy Requirement that may drive transmission needs relating to the New England Transmission System has not been appropriately addressed by NESCOE, it may file with the ISO, no later than 15 days after the posting of NESCOE's explanation as described in Section 4A.1 of this Attachment, a written request that explains the stakeholder's reasoning and that seeks reconsideration by the ISO of NESCOE's position regarding that requirement. The ISO will post the stakeholder's written request on the ISO's website. Where the ISO agrees with a stated stakeholder position, or on its own finding, the ISO may perform an evaluation under Sections 4A.2 through 4A.4 of this Attachment of a federal Public Policy Requirement not otherwise identified by NESCOE. The ISO will post on its website an explanation of those transmission needs driven by federal Public Policy Requirements not identified by NESCOE that will be evaluated for potential transmission solutions in the regional system planning process, and why other suggested transmission needs driven by federal Public Policy Requirements not identified by NESCOE will not be evaluated. In addition, the ISO will post on its website an explanation of those transmission needs driven by local Public Policy Requirements that will be evaluated for potential transmission solutions in the regional system planning process, and why other suggested transmission needs driven by local Public Policy Requirements will not be evaluated.

4A.2 Preparation for Conduct of Public Policy Transmission Studies; Stakeholder Input

Upon receipt of the NESCOE request, or as the result of the ISO's consideration of a federal or local Public Policy Requirement pursuant to Section 4A.1.1, the ISO will prepare and post on its website a proposed scope for the Public Policy Transmission Study, and associated parameters

and assumptions (including resource assumptions), and provide the foregoing to the Planning Advisory Committee by no later than September 1 of the request year. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input for consideration by the ISO on the study's scope, parameters and assumptions.

4A.3 Public Policy Transmission Studies

(a) Conduct of Public Policy Transmission Studies; Stakeholder Input

With input from Planning Advisory Committee and potentially impacted PTOs, the ISO will perform the initial phase of the Public Policy Transmission Study to develop a rough estimate of the costs and benefits of high-level concepts that could meet transmission needs driven by Public Policy Requirements. The study's results will be posted on the ISO's website, and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input on the results of the initial phase of the study, and the scope, parameters and assumptions (including resource assumptions) for any follow-on phase of the study. The ISO may – as a follow-on phase of the Public Policy Transmission Study – perform more detailed analysis and engineering work on the high-level concepts.

(b) Treatment of Market Solutions in Public Policy Transmission Studies

The ISO shall reflect proposed market responses in the Public Policy Transmission Study. Market responses may include, but are not limited to, resources (e.g., demand-side projects and distributed generation), Merchant Transmission Facilities and Elective Transmission Upgrades.

In performing Public Policy Transmission Studies, the ISO shall rely on certain resources to prevent the identification of transmission needs driven by Public Policy Requirements. Specifically, the ISO shall incorporate in the Public Policy Transmission Study information regarding future resources, with the exception of imports across external tie lines, that have been proposed and (i) have cleared in a Forward Capacity Auction pursuant to Market Rule 1 of the ISO Tariff, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) have been forecast in the ISO's Forecast Report of Capacity, Energy, Loads and Transmission. The ISO shall also incorporate or update information regarding all existing resources, with the exception of imports across external tie lines, in Public Policy Transmission Studies. Imports across future or

existing external tie lines will not be relied upon unless such imports (i) have a Capacity Supply Obligation corresponding to the year of study, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) may be represented by a minimum flow based on HQ Interconnection Capability Credits. The ISO will model out-of-service all submitted Retirement De-List Bids, submitted Permanent De-List Bids, and demand bids that have cleared in a substitution auction, and may model out-of-service rejected-for-reliability Static De-List Bids and rejected-for-reliability Dynamic De-List Bids from the most recent Forward Capacity Auction. With respect to having been selected in, and being contractually bound by a state-sponsored request for proposals, or having a financially binding obligation pursuant to a contract, demonstration of such contracts is accomplished through submittal for ISO review of an order or other similar authorization from the appropriate state regulatory agency, along with a copy of the contract, that together demonstrate the contractual requirements. These documents may be submitted by: the Project Sponsor; the state regulatory agency authorizing the contract; a transmission company that is a counterparty to the contract; or by a third-party organization representing the interests of the New England states regarding energy related issues, such as NESCOE. The ISO shall incorporate information regarding a proposed Merchant Transmission Facility or Elective Transmission Upgrade in a Public Policy Transmission Study at a time after the studies corresponding to the Merchant Transmission Facility or Elective Transmission Upgrade are completed (including receipt of approval under Section I.3.9 of the Tariff), and a commercial operation date has been ascertained, with the exception of Elective Transmission Upgrades that are proposed in conjunction with the interconnection of a resource, which shall be considered at the same time as the proposed resource is considered in the Public Policy Transmission Study.

4A.4 Response to Public Policy Transmission Studies

The results of the Public Policy Transmission Study will be provided to the Planning Advisory Committee and posted on the ISO's website, and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input for the ISO on those results, including any updates from the states on any methods by which they are satisfying their respective Public Policy Requirements included in the Public Policy Transmission Study. The ISO's costs of performing the Public Policy Transmission Study described in Section 4A.3 will be collected by

the ISO pursuant to Schedule 1 of Section IV.A of the Tariff. Any prudently incurred PTO costs for assistance requested by the ISO to support the Public Policy Transmission Study will be recovered by the applicable PTO(s) in accordance with Attachment F and Schedule 21 of the Tariff.

The ISO will evaluate the input from the Planning Advisory Committee and provide the results of the Public Policy Transmission Study to Qualified Transmission Project Sponsors for their use in preparing Stage One Proposals to develop, build and operate one or more projects consistent with the general design requirements identified by the ISO in the study.

4A.5 Use and Control of Right of Way

Neither the submission of a project by a Qualified Transmission Project Sponsor nor the selection by the ISO of a project submitted by a Qualified Transmission Project Sponsor for inclusion in the RSP Project List shall alter a PTO's use and control of an existing right of way, the retention, modification, or transfer of which remain subject to the relevant law or regulation, including property or contractual rights, that granted the right-of-way. Nothing in the processes described in this Attachment K requires a PTO to relinquish any of its rights-of-way in order to permit a Qualified Transmission Project Sponsor to develop, construct or own a project.

4A.6 Stage One Proposals

(a) Information Required for Stage One Proposals

The ISO will publicly post on its website a request for proposal inviting, for each high-level general project concept identified by the ISO pursuant to Section 4A.3(a) above, Qualified Transmission Project Sponsors to submit (by the deadline specified in the request for proposal, which shall be not less than 60 days from the date of posting the request for proposal) an individual or joint Stage One Proposal. In the case where a joint Stage One Proposal is submitted, all parties must be Qualified Transmission Project Sponsors. The following information must be provided as part of the Stage one Proposal:

- (i) a detailed description of the proposed solution, in the manner specified by the ISO, including an identification of the proposed route for the solution and technical details of the project, such as interconnection into the existing transmission system;

- (ii) a detailed explanation of how the proposed solution addresses the identified need;
- (iii) the proposed schedule, including key high-level milestones, for development, siting, procurement of real estate rights, permitting, construction and completion of the proposed solution;
- (iv) right, title, and interest in rights of way, substations, and other property or facilities, if any, that would contribute to the proposed solution or the means and timeframe by which such would be obtained; and
- (v) the estimated installed costs of the proposed solution, including a high-level itemization of the components of the cost estimate, and any cost containment or cost cap measures.

A Qualified Transmission Project Sponsor may submit a proposed solution that includes an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the Qualified Transmission Project Sponsor's proposed solution relating to the upgrade(s) of an existing transmission system element(s) must provide all data available to the Qualified Transmission Project Sponsor as part of its response to the request for proposal. The Qualified Transmission Project Sponsor is not required to procure agreements with the PTO for implementation of such upgrades as the PTO is required to implement the upgrade(s) in accordance with Schedule 3.09(a) of the Transmission Operating Agreement if the proposed solution is selected through the competitive process.

A member of the Planning Advisory Committee that is not a Qualified Transmission Project Sponsor but would like the ISO to consider a Stage One Proposal reflecting its concept for a project in response to a request for proposal (that is, a project that is "unsponsored") must identify a Qualified Transmission Project Sponsor willing to submit a corresponding Stage One Proposal and Stage Two Solution (and to develop and construct the project, if selected in the competitive solution process) in order for the unsponsored project to be submitted in response to an ISO solicitation in Stage One Proposal. Upon request of the pertinent Planning Advisory Committee member for assistance in identifying a sponsor, the ISO shall post on its website and distribute to the Planning Advisory Committee a notice that solicits expressions of interest by Qualified Transmission Project Sponsors for sponsorship of the member's conceptual project. All expressions of interest shall include a detailed explanation of why the Qualified Transmission

Project Sponsor is best qualified to construct, own and operate the unsponsored project. If only one Qualified Transmission Project Sponsor expresses interest, the ISO shall designate it as the Qualified Transmission Project Sponsor. If more than one Qualified Transmission Project Sponsor expresses interest, the Planning Advisory Committee member shall select the Qualified Transmission Project Sponsor. In either case, the designated Qualified Transmission Project Sponsor shall thereafter comply with the requirements of this Attachment K and the ISO Tariff with respect to the project. If no Qualified Transmission Project Sponsor expresses interest, the unsponsored project may not be submitted as a Stage One Proposal.

With each proposal, the submitting Qualified Transmission Project Sponsor must include payment of a \$100,000 study deposit per submitted project to support the cost of Stage One Proposal and Stage Two Solution study work by the ISO. The study deposit of \$100,000 shall be applied towards the costs incurred by the ISO associated with the study of the Stage One Proposal and Stage Two Solution.

(b) LSP Coordination

Qualified Transmission Project Sponsors of Stage One Proposals shall also identify any LSP plans that require coordination with their Stage One Proposals.

(c) Review of Stage One Proposals by ISO

Upon receipt of Stage One Proposals, the ISO shall perform a review of each proposal to determine whether the proposed solution:

- (i) provides sufficient data and that the data is of sufficient quality to satisfy Section 4A.6(a);
- (ii) satisfies the needs driven by Public Policy Requirements identified in the request for proposal, as reflected in the Public Policy Transmission Study;
- (iii) is technically practicable and indicates possession of, or an approach to acquiring, the necessary rights of way, property and facilities that will make the proposal reasonably feasible in the required timeframe; and;
- (iv) is eligible to be constructed only by an existing PTO in accordance with Schedule 3.09(a) of the TOA because the proposed solution is an upgrade to existing PTO facilities or

because the costs of the proposed solution are not eligible for regional cost allocation under the OATT and will be allocated only to the local customers of a PTO.

(d) Proposal Deficiencies; Further Information

If the ISO identifies any deficiencies (compared with the requirements of Section 4A.6(a)) in the information provided in connection with a proposed Stage One Proposal, the ISO will notify the Stage One Proposal Qualified Transmission Project Sponsor and provide an opportunity for the Qualified Transmission Project Sponsor to cure the deficiencies within the timeframe specified by the ISO. Upon request, Qualified Transmission Project Sponsors of Stage One Proposals shall provide the ISO with additional information reasonably necessary for the ISO's evaluation of the proposed solutions. This identification and notification will occur prior to the publication by the ISO of any Stage One Proposals. In providing information under this subsection (d), or in Stage Two Solutions, the Qualified Transmission Project Sponsor may not modify its project materially or submit a new project, but instead may clarify its project. Stage Two Solutions reflecting a material modification to a Stage One Proposal or representing a new project will be rejected.

(e) List of Qualifying Stage One Proposals

The ISO will provide the Planning Advisory Committee with, and post on the ISO's website, a list of Stage One Proposals that meet the criteria of Section 4A.6(c). A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input for the ISO on that list. The ISO shall also indicate whether any of the Stage One Proposals may also satisfy identified reliability needs of the system. The ISO with input from the Planning Advisory Committee may exclude Stage One Proposals from the list, and from consideration in Stage Two Solutions, based on a determination that the Stage One Proposal is not competitive with other Stage One Proposals that have been submitted in terms of cost, electrical performance, future system expandability, or feasibility. Information on Stage One Proposals containing CEII will be posted on the ISO's protected website consistent with Section 2.4(d) of this Attachment. The ISO may amend its listing based on stakeholder input.

4A.7 Reimbursement of Stage One Proposal and Stage Two Solution Costs; Collection and Refund of ISO Study Costs

Qualified Transmission Project Sponsors that are requested by NESCOE in writing or by one or more states' governors or regulatory authorities directly to submit a Stage One Proposal shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff and the TOA, their prudently incurred costs from the Regional Network Load of the states identified by NESCOE in the written communication as having made the request or from the Regional Network Load of the states that made the request directly. Stage One Proposal costs shall otherwise not be subject to recovery under the ISO Tariff.

Qualified Transmission Project Sponsors whose projects are listed by the ISO pursuant to Section 4A.6(e) shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff and, as applicable, the TOA and NTDOA, all prudently incurred costs associated with developing a Stage Two Solution. PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a listed Stage Two Solution proposed by any other Qualified Transmission Project Sponsor.

Any difference between a Qualified Transmission Project Sponsor's study deposit and the actual cost of the Stage One Proposal and Stage Two Solutions studies shall be paid by or refunded to the Qualified Transmission Project Sponsor, as appropriate, with interest calculated in accordance with Section 35.19a(a)(2) of the FERC regulations. Any refund payment shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any invoice to collect funds in addition to the deposit shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any disputes arising from the study process shall be addressed under the dispute resolution process specified in Section I.6 of the Tariff.

4A.8 Information Required for Stage Two Solutions; Identification and Reporting of Preliminary Preferred Stage Two Solution

Qualified Transmission Project Sponsors of Stage One Proposals listed pursuant to Section 4A.6(e) of this Attachment shall provide the following information in their proposed Stage Two Solutions:

- (i) updates of the information provided in Stage One Proposals, or a certification that the information remains current and correct;
- (ii) list of required major Federal, State and local permits;
- (iii) description of construction sequencing, a conceptual plan for the anticipated transmission and generation outages necessary to construct the Stage Two Solution and their respective durations, and possible constraints;
- (iv) project schedule, with additional detail compared with Stage One Proposals, as specified by the ISO;
- (v) detailed cost component itemization and life-cycle cost including any clarifications to cost containment or cost cap measures that were not included as part of the Stage One Proposal;
- (vi) description of the financing being used;
- (vii) design and equipment standards to be used;
- (viii) description of the authority the Qualified Transmission Project Sponsor(s) has to acquire necessary rights of way;
- (ix) experience of the Qualified Transmission Project Sponsor(s) in acquiring rights of way;
- (x) status of acquisition of right, title, and interest in rights of way, substations, and other property or facilities, if any, that are necessary for the proposed Stage Two Solution;
- (xi) detailed explanation of project feasibility and potential constraints and challenges;

- (xii) description of the means by which the Qualified Transmission Project Sponsor(s) proposes to satisfy legal or regulatory requirements for siting, constructing, owning and operating transmission projects; and
- (xiii) detailed explanation of potential future expandability.

Stage Two Solutions must be submitted to the ISO by the deadline specified in the posting of the final listing (following stakeholder input) of Stage One Proposals described in Section 4A.6(e). The deadline for submittal of Stage Two Solutions shall not be less than 60 days from the posting date of the final listing. The ISO may reject Stage Two Solution submittals which are insufficient or not adequately supported.

The ISO will consider several factors during the evaluation process for identification of the preliminary preferred Stage Two Solution. These factors may include, but are not limited to, the following which are listed in no particular order:

- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;
- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;
- Loss savings;
- Replacement of aging infrastructure;

- Environmental impact;
- Design standards;
- Impact on NPCC Bulk Power System classification; and
- Qualified Transmission Project Sponsor(s) capabilities

The ISO will report the preliminary preferred Stage Two Solution(s), along with its views as to whether the preliminary preferred solution(s) also satisfies identified reliability needs of the system, to the Planning Advisory Committee and seek stakeholder input on the preliminary preferred Stage Two Solution(s).

4A.9 Inclusion of Public Policy Transmission Upgrades in the Regional System Plan and RSP Project List; Milestone Schedules; Removal from RSP Project List

(a) Inclusion of Public Policy Transmission Upgrades in the Regional System Plan and RSP Project List

Following receipt of stakeholder input, the ISO will identify the preferred Stage Two Solution (with an overview of why the solution is preferred) by a posting on its website. The ISO's identification will select the Stage Two Solution that best addresses the identified Public Policy Requirement while utilizing the best combination of electrical performance, cost, future system expandability and feasibility to meet the need in the required timeframe. The ISO will also notify the Qualified Transmission Project Sponsor that proposed the preferred Stage Two Solution that its project has been selected for development, and include the project as a Public Policy Transmission Upgrade in the Regional System Plan and RSP Project List, as it is updated from time to time in accordance with this Attachment. The preferred Stage Two Solution may include an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases the ISO will notify the PTO that have upgrades required by the preferred Stage Two Solution to proceed in accordance with Schedule 3.09(a) of the Transmission Operating Agreement. Once the ISO has identified the preferred Stage Two Solution, any remaining Stage Two Solutions must stop all development. Where external impacts of regional Public Policy Transmission Upgrades are identified through

coordination by the ISO with neighboring entities, those impacts will be identified in the RSP. Costs associated with such impacts will be addressed as set forth in Schedule 15.

(b) Execution of Selected Qualified Transmission Project Sponsor Agreement

Within 30 days of its receiving notification pursuant to Section 4A.9(a) of this Attachment, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Stage Two Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of receiving notification pursuant to Section 4A.9(a) of this Attachment, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Stage Two Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included each Selected Qualified Transmission Project Sponsor Agreement.

(c) Failure to Proceed

If the ISO finds, after consultation with a Qualified Transmission Project Sponsor, that the sponsor is failing to pursue approvals or construction in a reasonably diligent fashion, or that one or more of the Qualified Transmission Project Sponsors is unable to proceed with the project due to forces beyond its reasonable control, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report, including a proposed course of action. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. The proposed course of action may include, for example, a consideration and selection of another Stage Two Proposal relating to the pertinent Public Policy Requirement, or the re-solicitation of Stage One Proposals to meet the pertinent Public Policy Requirement. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO

shall file its report (whether with respect to a PTO or a non-PTO Qualified Transmission Project Sponsor) with the Commission.

4A.10 Cancellation of a Request for Proposal

The ISO may cancel a request for proposal at any time. Such cancellation may be due to new or different assumptions which may change or eliminate the identified needs. Any costs associated with solutions development shall be recovered pursuant to Sections 3.6(c) and 4A.7 of this Attachment.

4A.11 Local Public Policy Transmission Upgrades

The costs of Local Public Policy Transmission Upgrade(s) that are required in connection with the construction of a Public Policy Transmission Upgrade approved for inclusion in the Regional System Plan in accordance with Section 4A.9 shall be allocated in accordance with Schedule 21 of the ISO OATT.

4B. Qualified Transmission Project Sponsors

4B.1 Evaluation of Applications

The ISO will evaluate applications submitted by an entity that seeks to qualify as a sponsor of a proposed Reliability Transmission Upgrade, Market Efficiency Transmission Upgrade, Public Policy Transmission Upgrade, or Longer-Term Transmission Upgrade.

4B.2 Information To Be Submitted

The application to be submitted to the ISO by an entity desiring to be a Qualified Transmission Project Sponsor will include the following information:

- (i) the current and expected capabilities of the applicant to finance and construct a Reliability Transmission Upgrade, Market Efficiency Transmission Upgrade, Public Policy Transmission Upgrade, or Longer-Term Transmission Upgrade, and operate and maintain it for the life of the project;
- (ii) the financial resources of the applicant;
- (iii) the technical and engineering qualifications and experience of the applicant;

- (iv) if applicable, the previous record of the applicant regarding construction and maintenance of transmission facilities;
- (v) demonstrated capability of the applicant to adhere to construction, maintenance and operating Good Utility Practices, including the capability to respond to outages;
- (vi) the ability of the applicant to comply with all applicable reliability standards; and
- (vii) demonstrated ability of the applicant to meet development and completion schedules.

4B.3 Review of Qualifications

The ISO shall review each application for completeness. The ISO will notify each applicant within 30 calendar days of receipt of such application whether the application is complete, or identify any deficiencies in provision of the information required by Section 4B.2 of this Attachment. An applicant notified of deficiencies must provide any remedial information within 30 calendar days of the receipt of such notice. Thereafter, the ISO will determine whether the applicant is physically, technically, legally, and financially capable of constructing a Reliability Transmission Upgrade, Market Efficiency Transmission Upgrade, Public Policy Transmission Upgrade, or Longer-Term Transmission Upgrade in a timely and competent manner, and operating and maintaining the facilities consistent with Good Utility Practice and applicable reliability criteria for the life of the project, and use its best efforts to inform the applicant within 90 days from the date on which it has a completed application on file with the ISO whether it has met all of these criteria. A PTO determined by the ISO to meet all of these criteria will be deemed a Qualified Transmission Project Sponsor. A non-PTO entity determined by the ISO to meet all of these criteria will, upon its execution of the Non-incumbent Transmission Developer Operating Agreement (in the form specified in Attachment O of the OATT) and the Market Participant Service Agreement, be deemed a Qualified Transmission Project Sponsor.

4B.4 List of Qualified Transmission Project Sponsors

Qualified Transmission Project Sponsors are listed in Appendix 3 of this Attachment K.

4B.5 Annual Certification

Each Qualified Transmission Project Sponsor shall submit to the ISO annually a certification that the information initially submitted in response to Section 4B.2 of this Attachment K has not changed adversely in a material fashion, or (if a material adverse change has occurred in the

intervening year) submit instead a new application for qualification as a project sponsor. In the latter case, the entity shall not be a Qualified Transmission Project Sponsor unless and until the ISO approves its new application.

5. Supply of Information and Data Required for Regional System Planning

The Transmission Owners, Generator Owners, Transmission Customers, Market Participants and other entities requesting transmission or interconnection service or proposing the integration of facilities to PTF in the New England Transmission System or alternatives to such facilities, and stakeholders requesting a Needs Assessment pursuant to Section 4.1 of this Attachment, shall supply, as required by the Tariff, the Participants Agreement, MPSAs, applicable transmission operating agreements, and/or other existing agreements, protocols and procedures, or upon request by the ISO, and subject to required CEII and confidentiality protections as specified in Section 2.4 of this Attachment, any information (including cost estimates) and data that is reasonably required to prepare an RSP or perform a Needs Assessment, Solutions Study, or any other study performed under this Attachment K.

6. Regional, Local and Interregional Coordination

6.1 Regional Coordination

The ISO shall conduct the regional system planning process for the PTF in coordination with the transmission-owning entities in, or other entities interconnected to, the New England Transmission System consistent with the rights and obligations defined in the ISO OATT, applicable transmission operating agreements or protocols, and/or this Attachment. Pursuant to Section II.49 of this OATT and Sections 3.02, 3.05 and 3.09 of the TOA, the ISO has Operating Authority or control over all PTF and Non-PTF within the New England Control Area, which are utilized for the provision of transmission service under this OATT. The ISO also has Operating Authority or control over the United States portions of the HVDC ties to Quebec and over Merchant Transmission Facilities and Other Transmission Facilities, pursuant to this OATT or applicable transmission operating agreements or protocols. The ISO, however, is not responsible for the planning of the Non-PTF, OTF and MTF. As provided in Section 6.2 and Appendix 1 of this Attachment, the PTOs are responsible for the planning of the Non-PTF and coordinating such planning efforts with the ISO. Pursuant to the OATT and/or applicable transmission operating agreements or protocols, the transmission owners of OTF and MTF are required to participate in the ISO's regional system planning process and perform and/or support studies of the impacts of regional system projects on their respective facilities.

6.2 Local Coordination

The regional system planning process shall be conducted and the RSP shall be developed in coordination with the local system plans of the PTOs. In accordance with the TOA and OATT provisions identified in Section 6.1 of this Attachment, the PTOs have responsibility for planning Non-PTF. The PTOs conduct planning of Non-PTF using the LSP process outlined in Section 2.5 and Appendix 1 of this Attachment, in coordination with the ISO, other entities interconnected with the New England Transmission System, Transmission Customers and stakeholders, and in accordance with the provisions in the TOA, the OATT and the Planning and Reliability Criteria. The openness and transparency of the LSP process is intended to be consistent with the regional system planning process.

6.3 Interregional Coordination

The regional system planning process shall be conducted and the RSP shall be developed in coordination with the similar plans of the surrounding ISOs/RTOs and Control Areas pursuant to the Northeastern Planning Protocol and other agreements with neighboring systems (including entities that are not Parties to the Northeastern Planning Protocol) and NPCC.

(a) Interregional Coordination and Cost Allocation Among ISO, New York Independent System Operator, Inc. ("NYISO") and PJM Interconnection, L.L.C. ("PJM") Under Order No. 1000

Pursuant to Section 7 of the Northeastern Planning Protocol (which is posted on the web at www.iso-ne.com/static-assets/documents/2015/07/northeastern_protocol_dmeast.doc, the Joint ISO/RTO Planning Committee ("JIPC") reviews regional needs and solutions identified in the regional planning processes of the ISO, NYISO and PJM in order to identify, with input from the Interregional Planning Stakeholder Advisory Committee ("IPSAC"), the potential for Interregional Transmission Projects that could meet regional needs more efficiently or cost-effectively than regional transmission projects. All members of the Planning Advisory Committee shall be considered IPSAC members. The JIPC will coordinate studies deemed necessary to allow the effective consideration by the regions, in the same general timeframe, of a proposed Interregional Transmission Project in comparison to regional transmission solutions. Any stakeholder may propose in the New England planning process, for evaluation under Section 4.2, 4.3, or 4A (as applicable) of Attachment K, an Interregional Transmission Project (or project

concept) that may be more efficient or cost-effective than a regional transmission solution. If a proposed Interregional Transmission Project is approved in each region in which the project is located, the corresponding New England regional transmission project(s) will be displaced in the circumstances described in Section 3.6(a) of this Attachment, and the costs of the Interregional Transmission Project will be allocated among the regions based on the formula provided in Schedule 15 of this OATT, or in accordance with another funding arrangement filed with and accepted by the Commission. The amount of the costs of an Interregional Transmission Project allocated as the responsibility of New England pursuant to the methodology referenced in Section 6.3(a) of this Attachment shall be allocated within New England as specified in Schedule 15 of the ISO OATT.

(b) Other Interregional Assessments and Other Interregional Transmission Projects

Interregional system assessments and/or interregional system expansion planning studies may be performed periodically by the ISO with Planning Authorities who are not parties to the Northeastern Planning Protocol, or with the JIPC pursuant to Section 6 of the Northeastern Planning Protocol, or both. The ISO shall convene periodic meetings of the Planning Advisory Committee (which may be combined with meetings of the IPSAC), to provide input and feedback to the ISO concerning such assessments and studies. To the extent that an Interregional Transmission Project is agreed to by ISO and by another region (not a Party to the Northeastern Planning Protocol) in which a portion of the project is located, the related cost allocation and operating agreements will be filed with the Commission (and, as applicable, with Canadian jurisdictional agencies) in accordance with existing filing rights.

7. Procedures for Development and Approval of the RSP

7.1 Initiation of RSP

No less often than once every three years, the ISO shall initiate an effort to develop its RSP and solicit input on regional system needs for the RSP from the Planning Advisory Committee. The Planning Advisory Committee shall meet to perform its respective functions in connection with the preparation of the RSP, as specified in Section 2 of this Attachment. The ISO shall issue the periodic planning reports that support the RSP, such as Needs Assessments, as those reports are completed.

7.2 Draft RSP; Public Meeting

The ISO shall provide a draft of the RSP to the Planning Advisory Committee and input from that Committee shall be received and considered in preparing and revising subsequent drafts. The ISO shall post the draft RSP and provide notice to the Planning Advisory Committee of a meeting to review the draft RSP as specified in Section 2.2 of this Attachment.

After the ISO has provided a draft of the RSP to the Planning Advisory Committee, the ISO shall issue a second draft of the RSP to be presented by the ISO staff to the ISO Board of Directors for approval. The draft RSP shall incorporate the results of any Needs Assessment, and corresponding Solutions Studies, performed since the last RSP was approved. A subcommittee of that Board shall hold a public meeting, at their discretion, to receive input directly and to discuss any proposed revisions to the RSP. The final recommended RSP shall be presented to the ISO Board of Directors and shall be acted on by the ISO Board of Directors within 60 days of receipt. The foregoing timeframes are subject to adjustment as determined by the ISO in coordination with the Planning Advisory Committee.

7.3 Action by the ISO Board of Directors on RSP; Request for Alternative Proposals

(a) Action by ISO Board of Directors on RSP

The ISO Board of Directors may approve the recommended draft RSP as submitted, modify the RSP or remand all or any portion of it back with guidance for development of a revised recommendation. The Board of Directors may consider the RSP in executive session, and shall consider in its deliberations the views of the subcommittee of the Board of Directors reflecting the public meeting held pursuant to Section 7.2 of this Attachment. In considering whether to approve the draft RSP, the Board of Directors may, if it finds a proposed Reliability Benefit Upgrade not to be viable, or if no Reliability Benefit Upgrade has been proposed, direct the ISO staff to meet with the affected load serving entities and State entities in order to develop an interim solution. Should that effort fail, and as a last resort, the Board of Directors may direct the ISO to issue a Request For Alternative Proposal (“RFAP”), subject to the procedures described below, and may withhold approval of the draft RSP, or portions thereof, pending the results of that RFAP and any Commission action on any resulting jurisdictional contract or funding mechanism. The ISO shall provide a written explanation as to any subsequent changes or modification made in the final version of the RSP.

(b) Requests For Alternative Proposals

(i) The RFAP shall seek generation, demand-side and merchant transmission alternatives that can be implemented rapidly and provide substantial reliability benefits over the period solicited in the RFAP, and normally will focus on an interim (“gap”) solution until an identified Reliability Transmission Upgrade has been placed in-service. The ISO will file a proposed RFAP with the Commission for approval at least 60 days prior to its issuance. The filing shall explain why the issuance of an RFAP is necessary.

(ii) The ISO staff shall provide the Board of Directors and subject to confidentiality requirements, the Planning Advisory Committee with an analysis of the alternatives offered in response to the RFAP, and provide a recommendation together with a funding mechanism reflecting input from the Planning Advisory Committee.

(iii) The ISO may enter into contracts awarded pursuant to an RFAP process, and/or propose a funding mechanism. Bidders that are awarded contracts through the RFAP process shall file those contracts with the Commission for approval of the rates to be charged thereunder to the extent that such contracts are for services that are jurisdictional to the Commission. The ISO shall file related or separate funding mechanisms with the Commission as well. All other contracts entered into pursuant to an RFAP shall be filed with the Commission for informational purposes.

(iv) The Board of Directors will reflect the results of the RFAP process in the approved RSP.

8. Obligations of PTOs to Build; PTOs’ Obligations, Conditions and Rights

In accordance with the TOA, PTOs designated by the ISO as the appropriate entities to construct and own or finance Transmission Upgrades included in the RSP shall construct and own or finance such facilities or enter into appropriate contracts to fulfill such obligations. In the event that a PTO: (i) does not construct or indicates in writing that it does not intend to construct a Transmission Upgrade included in the RSP; or (ii) demonstrates that it has failed (after making a good faith effort) to obtain necessary approvals or property rights under applicable law, the ISO shall promptly file with the Commission a report on the results of the planning process, which report shall include a report from the PTO responsible for the planning, design or construction of such Open Access Transmission Tariff Section II – Attachment

K – Regional System Planning Process Transmission Upgrade, in order to permit the Commission to determine what action, if any, it should take.

In connection with regional system planning, the ISO will not propose to impose on any PTO obligations or conditions that are inconsistent with the explicit provisions of the TOA or deprive any PTO of any of the rights set forth in the TOA.

Subject to necessary approvals and compliance with Section 2.06 of the TOA, nothing in this OATT shall affect the right of any PTO to expand or modify its transmission facilities in the New England Transmission System on its own initiative or in response to an order of an appropriate regulatory authority. Such expansions or modifications shall conform with: (a) Good Utility Practice; (b) applicable reliability principles, guidelines, criteria, rules, procedures and standards of national, regional, and local reliability councils that may be in existence; and (c) the ISO and relevant PTO criteria, rules, standards, guides and policies. The ISO reserves its right to challenge the permitting of such expansions or modifications.

9. Merchant Transmission Facilities

9.1 General

Subject to compliance with the requirements of the Tariff and any other applicable requirements with respect to the interconnection of bulk power facilities with the New England Transmission System, any entity shall have the right to propose and construct the addition of transmission facilities (“Merchant Transmission Facilities”), none of the costs of which shall be covered under the cost allocation provisions of this OATT. Any such Merchant Transmission Facilities shall be subject to the requirements of Section 9.2 of this Attachment. In performing studies in connection with the RSP, the prospect that proposed Merchant Transmission Facilities will be completed shall be accounted for as will the prospect that proposed generating units will be completed.

9.2 Operation and Integration

All Merchant Transmission Facilities shall be subject to: (i) an agreement to transfer to the ISO operational control authority over any facilities which constitute part of the Merchant Transmission Facilities that are to be integrated with, or that will affect, the New England Transmission System; and (ii)

taking such other action as may be required to make the facility available for use as part of the New England Transmission System.

9.3 Control and Coordination

Until such time as a Merchant Transmission Owner has transferred operational control over its Merchant Transmission Facilities to the ISO pursuant to Section 9.2(i), all such Merchant Transmission Facilities shall be subject to the operational control, scheduling and maintenance coordination of the System Operator in accordance with the Tariff.

10. Cost Responsibility for Transmission Upgrades

The cost responsibility for each upgrade, modification or addition to the transmission system in New England that is included with the status of “Planned” in the RSP Project List as defined in Section 3.6 of this Attachment shall be determined in accordance with Schedule 12 of this OATT.

11. Allocation of ARRs

The allocation of ARRs in connection with Transmission Upgrades is addressed in Section III.C.8 of the Tariff.

12. Dispute Resolution Procedures

12.1 Objective

Section 12 of this Attachment sets forth a dispute resolution process (the “Regional Planning Dispute Resolution Process”) through which regional transmission planning-related disputes may be resolved as expeditiously as possible.

12.2 Confidential Information and CEII Protections

All information disclosed in the course of the Regional Planning Dispute Resolution Process shall be subject to the protection of confidential information and CEII consistent with the ISO New England Information Policy and CEII policy.

12.3 Eligible Parties

Any member of the Planning Advisory Committee that has been adversely affected by a Reviewable Determination, defined in Section 12.4(a) of this Attachment, with respect to the regional system planning

process described in this Attachment is eligible to raise its dispute, as appropriate, under this Dispute Resolution Process (“Disputing Party”).

12.4 Scope

In order to ensure that the regional transmission planning process set forth under this Attachment moves expeditiously forward, the scope of issues that may be subject to the Regional Planning Dispute Resolution Process under this Section 12 shall be limited to certain key procedural and substantive decisions made by the ISO within its authority as specified in documents on file with the Commission. That is, decisions not subject to resolution within the jurisdiction of the Commission are not within the scope of the Regional Planning Dispute Resolution Process. Examples of matters not within the scope of the Regional Planning Dispute Resolution Process include planning to serve retail native load or state siting issues. Additionally, the Tariff already explicitly provides specific dispute resolution procedures for various matters. To this end, any matter regarding the review and approval of applications pursuant to Section I.3.9 of the Tariff, which is subject to the dispute resolution process under Section I.6 of the Tariff, shall not be within the scope of this Regional Planning Dispute Resolution Process. Similarly, any matter regarding Transmission Cost Allocation shall be governed by the dispute resolution process under Schedule 12 of the OATT, and shall be outside the scope of this Regional Planning Dispute Resolution Process.

(a) Reviewable Determinations

The determinations that may be subject to the Regional Planning Dispute Resolution Process under this Section 12 that include certain procedural and substantive challenges that may arise at limited designated key decision points in the regional transmission planning process for PTF. Procedural challenges will be limited to whether or not the steps taken up to a designated key decision point conform to the requirements set forth in this Attachment. Substantive challenges will be limited to whether or not a determination or conclusion rendered at a designated key decision point was supported by adequate basis in fact.

The designated key decision points for Reviewable Determinations shall be limited to the following:

- (i) Results of a Needs Assessment conducted and communicated by the ISO to the Planning Advisory Committee as specified in Section 4.1 of this Attachment;
- (ii) Updates to the RSP Project List, including adding, removing or revising regulated transmission solutions included thereunder, as presented at the Planning Advisory Committee and as specified in Section 3.6 of this Attachment;
- (iii) Results of Solutions Studies conducted and communicated by the ISO to the Planning Advisory Committee as specified in Section 4.2 of this Attachment;
- (iv) Consideration of market responses in Needs Assessments as specified in Section 4.1(f) of this Attachment;
- (v) Prioritization and substance of Stakeholder-Requested Scenarios to be conducted by the ISO in a given Economic Study cycle as specified in Section 17.2(d) of this Attachment; and
- (vi) Prioritization of Economic Study scenario sensitivities to be performed in a given Economic Study cycle where the Planning Advisory Committee is not able to prioritize them as specified in Section 17.4 of this Attachment.

(b) Material Adverse Impact

In order to prevail in a challenge to a procedural-based Reviewable Determination, the Disputing Party must show that the alleged procedural error had a material adverse impact on the determination or conclusion. In order to prevail in a challenge to a substantive-based Reviewable Determination, the Disputing Party must show that either (i) the determination is based on incorrect data or assumptions or (ii) incorrect analysis was performed by the ISO, and (iii) as a result the ISO made an incorrect decision or determination.

12.5 Notice and Comment

A Disputing Party aggrieved by a Reviewable Determination shall have fifteen (15) calendar days upon learning of the Reviewable Determination following the ISO's presentation of such Reviewable

Determination at the Planning Advisory Committee to request dispute resolution by giving notice to the ISO ("Request for Dispute Resolution"). A Request for Dispute Resolution shall be in writing and shall be addressed to the ISO's Chair of the Planning Advisory Committee and, as appropriate, the affected Transmission Owner. Within three (3) Business Days of the receipt by the ISO of a Request for Dispute Resolution, the ISO shall prepare and distribute to all members of the Planning Advisory Committee a notice of the Request for Dispute Resolution including, subject to the protection of Confidential Information and CEII, the specifics of the Request for Dispute Resolution and providing the name of an ISO representative to whom any comments may be sent. Any member of the Planning Advisory Committee may submit to the ISO's designated representative, on or before the tenth (10th) Business Day following the date the ISO distributes the notice of the Request for Dispute Resolution, written comments to the ISO with respect to the Request for Dispute Resolution. The party filing the Request for Dispute Resolution may respond to any such comments by submitting a written response to the ISO's designated representative and to the commenting party on or before the fifteenth (15th) Business Day following the date the ISO distributes the notice of the Request for Dispute Resolution. The ISO may, but is not required to, consider any written comments.

12.6 Dispute Resolution Procedures

(a) Resolution Through the Planning Advisory Committee

The Planning Advisory Committee shall discuss and resolve any dispute arising under this Attachment involving a Reviewable Determination, as defined in Section 12.4 of this Attachment, between and among the ISO, the Disputing Party, and, as appropriate, the affected Transmission Owner (collectively, "Parties") (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution).

(b) Resolution Through Informal Negotiations

To the extent that the Planning Advisory Committee is not able to resolve a dispute arising under this Attachment involving a Reviewable Determination, as defined in Section 12.4 of this Attachment, between and among the ISO, the Disputing Party, and, as appropriate, the affected Transmission Owner, such dispute shall be the subject of good-faith negotiations among the Parties. Each Party shall designate a fully authorized senior representative for resolution on an informal basis as promptly as practicable.

(c) Resolution Through Alternative Dispute Resolution

In the event the designated representatives are unable to resolve the dispute through informal negotiation within thirty (30) days, or such other period as the Parties may agree upon, by mutual agreement of the Parties, such dispute may be submitted to mediation or any other form of alternative dispute resolution upon the agreement of all Parties to participate in such mediation or other alternative dispute resolution process. Such form of alternative dispute resolution shall not include binding arbitration.

If a Party identifies exigent circumstances reasonably requiring expedited resolution of the dispute, such Party may file a Complaint with the Commission or seek other appropriate redress before a court of competent jurisdiction.

12.7 Notice of Dispute Resolution Process Results

Within three (3) Business Days following the resolution of a dispute pursuant to either Section 12.6(b) or Section 12.6(c) of this Attachment, the ISO shall distribute to the Planning Advisory Committee a document reflecting the resolution.

13. Rights Under The Federal Power Act

Nothing in this Attachment shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

14. Annual Assessment of Transmission Transfer Capability

Each year, the ISO shall issue the results of the annual assessment of transmission transfer capability, conducted pursuant to applicable NERC, NPCC and ISO New England standards and criteria and the identification of potential future transmission system weaknesses and limiting facilities that could impact the transmission system's ability to reliably transfer energy in the planning horizon. Each annual assessment will identify those portions of the New England system, along with the associated interface boundaries, that should be considered in the assessment of Capacity Zones to be modeled in the Forward Capacity Market pursuant to ISO Tariff Section III.12. This report will be posted on the ISO website. Each annual assessment will model out-of-service resources associated with the following bids, if the ISO determines the removal of the resource is likely to have an impact on the transmission transfer limits for the relevant period: Retirement De-List Bids, Permanent De-List Bids, demand bids submitted for the

upcoming substitution auction, and rejected for reliability Static De-List Bids and rejected for reliability Dynamic De-List Bids from the most recent Forward Capacity Auction.

15. Procedures for the Conduct of Cluster Enabling Transmission Upgrades Regional Planning Study

The purpose of this Section 15 is to support the conduct of Interconnection Studies under the Interconnection Procedures set forth in Schedules 22, 23 and 25 of Section II of the Tariff. Other than Section 2 of this Attachment K regarding the responsibilities of the Planning Advisory Committee and this Section 15, none of the other provisions in this Attachment K apply to the conduct of the Cluster Enabling Transmission Upgrade Regional Planning Study or the results of the study.

15.1 Notice of Initiation of Cluster Enabling Transmission Upgrade Regional Planning Study in Support of Cluster Studies under the Interconnection Procedures.

Pursuant to Section 4.2.2 of Schedule 22, Section 1.5.3.2 of Schedule 23, and Section 4.2.2 of Schedule 25 of Section II of this Tariff, the ISO shall provide notice to the Planning Advisory Committee of the initiation ~~of a cluster for studying certain Interconnection Requests. The cluster study process, known as Clustering, shall consist of two phases. This notice shall trigger the first phase of Clustering, during which the ISO shall conduct a~~ Cluster Enabling Transmission Upgrade (“CETU”) Regional Planning Study (“CRPS”) (the cost of which will be recovered by the ISO pursuant to Schedule 1 of Section IV.A of the Tariff). The results of the CRPS will inform the Cluster Study and Transitional Cluster Study entry process and requirements for Interconnection Requests for Generating Facilities and Elective Transmission Upgrades that the System Operator determines need the CETU to meet the standards described ~~In the second phase of Clustering, the ISO shall conduct Interconnection System Impact Studies and Interconnection Facilities Studies in clusters pursuant to in Sections 3.2.1 and 3.2.2~~ Schedules 22, 23, and 25 of Section II of the Tariff.

15.2 Preparation for Conduct of CRPS; Stakeholder Input

The purpose of the CRPS shall be to identify the new transmission infrastructure and any associated system upgrades to enable the interconnection of potentially all of the resources that fall under the proposed in the Interconnection Requests for which the conditions identified interconnection circumstances described in Section 4.2.1 of Schedule 22, Section ~~4.2.1+5.3.1~~ of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff ~~have been triggered~~. The ISO will prepare and

post on its website, consistent with Section 2.4(d) of this Attachment K, a proposed scope of the CRPS and associated parameters and assumptions, and provide the foregoing to the Planning Advisory Committee. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input for consideration by the ISO on the CRPS's scope, parameters and assumptions, consistent with the responsibilities of the Planning Advisory Committee as set forth in Section 2.2 of this Attachment. As part of the CRPS's scope, the ISO will describe the interconnection circumstances that it has identified pursuant to triggered the conditions in Section 4.2.1 of Schedule 22, Section ~~4.2.1-4.5.3.1~~ of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff. In addition, the ISO will identify, to the extent practicable: (i) the Interconnection Requests, to be referenced by Queue Position, that have experienced the interconnection circumstances described in Section 4.2.1 of Schedule 22, Section 4.2.1 of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff and would need new transmission infrastructure to enable their interconnection~~are expected to be eligible to participate in the Cluster Interconnection System Impact Study~~, and (ii) the preliminary transmission upgrade concepts proposed to be considered in the CRPS. The preliminary transmission upgrade concepts may account for previously conducted transmission reinforcement studies and previously identified concepts for transmission upgrades in the relevant electrical area, including Elective Transmission Upgrades that have previously been submitted~~with Interconnection Requests pending~~ in the interconnection queue prior to the initiation of the CRPS.

A member of the Planning Advisory Committee or an Interconnection Customer may make a written submission to the ISO, requesting that the ISO consider the conduct of a CRPS ~~Clustering be considered~~ for certain described interconnection circumstances~~specific Interconnection Requests in the ISO New England interconnection queue~~. In response to such a request, the ISO will either develop a notice of initiation of a CRPS cluster pursuant to Section 15.1 of this Attachment K, or identify, in writing, to the Planning Advisory Committee why the interconnection circumstances ~~conditions described~~ in Section 4.2.1 of Schedule 22, Section ~~4.2.1-4.5.3.1~~ of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff are not present~~have not been triggered~~.

15.3 Conduct of the CRPS

The CRPS will consist of analyses performed under the conditions used in the conduct of a Cluster ~~Cluster~~ Interconnection System Impact Study under the Interconnection Procedures. The CRPS will consist of steady state thermal analysis, voltage and transient stability analysis, and, as appropriate, other analysis,

such as weak-grid-related analyses. The ISO will use Reasonable Efforts to complete the CRPS within twelve (12) months from the notice ~~of the cluster initiation~~ to the Planning Advisory Committee. ~~If less than two (2) Interconnection Requests identified pursuant to Section 4.2.1 of Schedule 22, Section 1.5.3.1 of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff remain in the interconnection queue prior to the completion of the CRPS, the ISO will terminate the CRPS.~~

15.4 Publication of the CRPS

The ISO shall post a draft report of the CRPS to the Planning Advisory Committee, consistent with Section 2.4(d) of this Attachment K, and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to discuss the results of the CRPS. A comment period will follow the Planning Advisory Committee meeting. The ISO will post on its website any comments received and the ISO's responses to those comments.

The CRPS report will provide:

- (i) a planning level description of the CETU(s) and a non-binding good faith order-of-magnitude estimate, developed by the applicable Transmission Owner(s), of the costs for the CETU(s);
- (ii) a list of other facilities that may be needed in addition to the CETU(s) and a non-binding good faith order-of-magnitude estimate, developed by the applicable Transmission Owner(s), of the costs for those facilities (the CRPS will not provide descriptions of expected Interconnection Facilities for specific Interconnection Requests in the cases where the Interconnection Facilities cannot be finalized until the actual Interconnection Requests that will be moving forward in the cluster are known); and
- (iii) the approximate megawatt quantity (or quantities if more than one level of megawatt injection was studied in the CRPS) of resources that could be interconnected in a manner that meets the Network Capability Interconnection Standard and the Capacity Capability Interconnection Standard in accordance with Schedules 22, 23 and 25 of Section II of the Tariff; and,

~~a list of the Interconnection Requests, to be referenced by Queue Position, that at the sole discretion of the ISO are identified as eligible to participate in the Cluster Interconnection System Impact Study that will be conducted by the ISO in accordance with Section 4.2.3 of Schedule 22, Section 1.5.3.3 of Schedule 23, and Section 4.2.3 of Schedule 25 of Section II of the Tariff. The list shall include the expected cost allocation for the eligible Interconnection Requests, calculated in accordance with Schedule 11 of Section II of the Tariff.~~

The non-binding good faith order-of-magnitude estimates under Section 15.4(i)-(ii) of this Attachment will be developed by the applicable Transmission Owner(s), and the costs of developing such estimates shall be recovered ~~in the same manner as the costs incurred by the ISO in conducting the CRPS as specified in Sections 3.3.1, 6.1 and 7.2 of Schedule 22, Section 3.3.1, 3.4.2, and Attachment 1 of Schedule 23, and Section 3.3.1, 6.1 and 7.2 of Schedule 25.~~

~~The final CRPS will be posted on the ISO's website. The posting, consistent with Section 2.4 (d) of this Attachment K, of the final CRPS report on the ISO website will trigger the Cluster Interconnection System Impact Study Entry Deadline specified in Section 4.2.3.1 of Schedule 22, Section 1.5.3.3.1 of Schedule 23, and Section 4.2.3.1 of Schedule 25 of Section II of the Tariff. The Cluster Interconnection System Impact Study Entry Deadline shall be 30 days from the posting of the final CRPS report.~~

~~Notwithstanding any other provision in this Section 15, the final Maine Resource Integration Study shall be the first CRPS and will form the basis for the first Cluster Interconnection System Impact Study to be conducted in accordance with Section 4.2.3 of Schedule 22, Section 1.5.3.3 of Schedule 23, and Section 4.2.3 of Schedule 25 of Section II of the Tariff.~~

16. Procedures for the Conduct of Longer-Term Transmission Studies and Evaluation of Longer-Term Transmission Upgrades

This Section 16 sets forth the procedures for the ISO's conduct of Longer-Term Transmission Studies and evaluation of Longer-Term Transmission Upgrades. These procedures supplement, and are not intended to replace, other study processes provided in this Attachment K. The costs incurred by the ISO in consulting or providing technical support, performing the Longer-Term Transmission Study and any follow-on study, and conducting the solicitation process for Longer-Term Transmission Upgrades

(excluding any costs incurred by the ISO associated with the evaluation of Longer-Term Proposals) shall be recovered pursuant to Schedule 1 of Section IV.A of the Tariff.

16.1 Request for Longer-Term Transmission Studies

The ISO, at its sole discretion, may collaborate with and provide technical support to NESCOE or the New England states in connection with the states' procurements, and efforts to secure federal funding for transmission investments. In addition, NESCOE may submit a written request for the ISO to conduct a Longer-Term Transmission Study to identify high-level concepts of transmission infrastructure and, if requested, high-level cost estimates that could meet State-identified Requirements specified in the request based on state-identified scenarios and timeframes, which may extend beyond the five-to-ten year planning horizon. A request for a Longer-Term Transmission Study may be submitted to the ISO no earlier than six months from conclusion of the prior cycle, which includes Longer-Term Transmission Studies, follow-on studies, and any associated competitive solicitation. The Longer-Term Transmission Study request shall identify the State-identified Requirements that serve as the basis of the request; the proposed objectives of the study; and the scenarios and timeframe(s) proposed for use in the study.

16.2 Preparation for Conduct of the Longer-Term Transmission Studies; Stakeholder Input

Upon receipt of a request for a Longer-Term Transmission Study from NESCOE, the ISO will post the request on the ISO's website. A meeting of the Planning Advisory Committee will be held promptly thereafter for NESCOE to present the Longer-Term Transmission Study request. NESCOE will then provide the ISO written confirmation of the specific scenarios to be analyzed in the study, together with the specific information to facilitate the conduct of the study, including, but not limited to: assumptions, types and location of new resource development, location of new loads and load serving stations, and injection points or geographic zones. The ISO will then develop a scope of work that may be performed, and post on the ISO's website the Longer-Term Transmission Study's proposed scope of work, associated parameters, and assumptions. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input on the study's scope, parameters, and assumptions. Members of the Planning Advisory Committee shall direct all such input related to the Longer-Term Transmission Study's scope, parameters, and assumptions to the ISO for consideration by the ISO and NESCOE, as applicable. Depending on the scope and objectives of a Longer-Term Transmission Study request, the ISO may request information to support consideration of new loads in the study. The ISO will provide the final scope of work for the Longer-Term Transmission Study to NESCOE for

confirmation, and once written confirmation is received, will post the final scope of work on the ISO's website.

16.3 Conduct of the Longer-Term Transmission Study; Follow-on Studies; Stakeholder Input

The ISO, in consultation with NESCOE, will perform the Longer-Term Transmission Study, supplemented by third-party consultants as necessary. The ISO may ask Participating Transmission Owners or Planning Advisory Committee members with special expertise to provide technical support or assist in the performance of the study. The study will consist of transmission system analysis to be performed under the conditions specified in the confirmed scope of work. If the ISO identifies a need to deviate from the final scope of work, the ISO will consult with NESCOE prior to incorporating the change. Once NESCOE provides written confirmation, the ISO will notify the Planning Advisory Committee of any changes. The study will assess the ability of the PTF to meet applicable planning criteria under the provided conditions.

The ISO will post on the ISO's website the results of the Longer-Term Transmission Study. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input on the study results. Members of the Planning Advisory Committee shall direct all such input related to the Longer-Term Transmission Study results to the ISO for consideration by the ISO and NESCOE, as applicable.

The ISO, in consultation with NESCOE, will prepare a Longer-Term Transmission Study report and post it on the ISO's website. The report will identify the overview of transmission system limitations and the high-level concepts of transmission infrastructure and, if requested, associated cost estimates, required to solve the longer-term issues identified in the study based on the state-identified scenarios and timeframe. Members of the Planning Advisory Committee shall direct all such input related to the Longer-Term Transmission Study report to the ISO for consideration by the ISO and NESCOE, as applicable.

NESCOE may submit a written request for the ISO to perform follow-on studies based on the results of the Longer-Term Transmission Study. In its request, NESCOE will provide the ISO specific scenarios to be analyzed in the follow-on study, together with specific information to facilitate the conduct of the study, including, but not limited to scope, parameters and assumptions. Upon receipt of the request for a follow-on study, the ISO will post the request for a follow-on study on the ISO's website and a meeting of the Planning Advisory Committee will be held promptly thereafter for NESCOE to present the follow-

on study request. NESCOE will then provide the ISO written confirmation of the specific scenarios to be analyzed in the follow-on study, together with the specific information to facilitate the conduct of the study, including, but not limited to scope, parameters and assumptions. The ISO will then develop a scope of work that may be performed and post on the ISO's website the follow-on study's proposed scope of work, associated parameters, and assumptions. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input on the study's scope, parameters, and assumptions. Members of the Planning Advisory Committee shall direct all such input related to the follow-on study's scope, parameters, and assumptions to the ISO for consideration by the ISO and NESCOE, as applicable. The ISO will provide the final scope of work for the follow-on study to NESCOE for confirmation, and once written confirmation is received, will post the final scope of work on the ISO's website and proceed with performing the follow-on study.

The results of the follow-on study will be posted on the ISO's website and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input on the results. Such input shall be directed to the ISO for consideration by NESCOE and the ISO, as applicable. The ISO will prepare a follow-on study report, as needed, and post it on the ISO's website.

16.4 Competitive Solution Process for Longer-Term Transmission Upgrades

(a) Identification of Longer-Term Needs; Request for Proposal Determination

At the request of NESCOE, the ISO will consult with and provide technical support to NESCOE on possible longer-term needs that may be addressed through one or more request for proposal(s) in connection with a Longer-Term Transmission Study or a follow-on study. During this consultation, the ISO, at its sole discretion, may also identify for NESCOE's consideration known non-time-sensitive reliability or market efficiency needs that could be combined with longer-term needs in a request for proposal(s). NESCOE determines which potential needs will be included in a request for proposal(s) and whether to move forward with such a request(s). If the ISO receives from NESCOE a written list identifying the specific needs that NESCOE may be interested in including in one or more potential request for proposal(s), the ISO will post the list on the ISO's website. A meeting of the Planning Advisory Committee will be held promptly thereafter for NESCOE to present the needs. Members of the Planning Advisory Committee shall direct all comments related to the NESCOE-identified needs to the ISO for consideration by NESCOE.

Any time following NESCOE's receipt and consideration of Planning Advisory Committee input but prior to NESCOE submitting a request to initiate a subsequent Longer-Term Transmission Study, NESCOE may submit a written request for the ISO to publicly issue, via a posting on the ISO's website, a request for proposal(s) inviting Qualified Transmission Project Sponsors to submit proposals offering a comprehensive solution that addresses the needs specified in NESCOE's request for the ISO to initiate a request for proposal(s).

Notwithstanding any other provision to the contrary, if a non-time-sensitive reliability or market efficiency need that the ISO identified for NESCOE's consideration under this Section 16.4(a) is combined with longer-term needs included in a request for proposal(s), then the reliability or market efficiency need and the development of regulated transmission solutions for that need shall be subject to the procedures for longer-term transmission planning in Section 16. If any non-time-sensitive reliability or market efficiency needs are not included in the needs selected by NESCOE to be addressed in a request for proposal(s), then those non-time-sensitive reliability or market efficiency needs shall be addressed pursuant to Section 4.3 of this Attachment K. If the longer-term process is terminated pursuant to Section 16.6 of this Attachment K or corresponding Longer-Term Transmission Upgrade is removed from the RSP Project List pursuant to Section 3.6(c), then: (1) in the case of a market efficiency need, the ISO shall initiate the process under Section 4.3 of this Attachment K, and (2), in the case of a reliability need, notwithstanding any other provisions to the contrary, the ISO shall: (i) assess the reliability need and its time-sensitivity, as appropriate; (ii) determine whether a solution is needed to solve the reliability need in three years or less from the completion of the assessment in this Section 16.4(a); and (iii) initiate the applicable process pursuant to Sections 4.1-4.3 of this Attachment K.

(b) Issuance of Request for Proposal

The ISO will publicly post on its website a request for proposal(s) inviting Qualified Transmission Project Sponsors to submit (by the deadline specified in the request for proposal, which shall not be less than 60 days from the date of posting the request for proposal) a Longer-Term Proposal offering a comprehensive solution that addresses all the needs identified in the request. The request for proposal will indicate that a Qualified Transmission Project Sponsor may submit an individual or joint Longer-Term Proposal(s). In the case where a joint proposal is submitted, all parties must be Qualified Transmission Project Sponsors.

(c) Use and Control of Right of Way

Neither the submission of a project by a Qualified Transmission Project Sponsor nor the selection by the ISO of a project submitted by a Qualified Transmission Project Sponsor for inclusion in the RSP Project List shall alter a PTO's use and control of an existing right of way, the retention, modification, or transfer of which remain subject to the relevant law or regulation, including property or contractual rights, that granted the right-of-way. Nothing in the processes described in this Attachment K requires a PTO to relinquish any of its rights-of-way in order to permit a Qualified Transmission Project Sponsor to develop, construct or own a project.

(d) Information Required for Longer-Term Proposals; Study Deposit; Timing

The following information must be provided as part of the Longer-Term Proposal:

- (i) detailed description of the proposed solution, in the manner specified by the ISO, including an identification of the proposed route for the solution and technical details of the project, such as interconnection into the existing transmission system;
- (ii) detailed explanation of how the proposed solution addresses the identified need(s);
- (iii) list of required major Federal, State and local permits
- (iv) proposed schedule, including key high-level milestones, for development, siting, procurement of real estate rights, permitting, construction and completion of the proposed solution;
- (v) right, title, and interest in rights of way, substations, and other property or facilities, if any, that would contribute to the proposed solution or the means and timeframe by which such would be obtained;
- (vi) description of the authority the Qualified Transmission Project Sponsor(s) has to acquire necessary rights of way;
- (vii) experience of the Qualified Transmission Project Sponsor(s) in acquiring rights of way;
- (viii) description of construction sequencing, a conceptual plan for the anticipated transmission and generation outages necessary to construct the proposed solution and their respective duration, and possible constraints;
- (ix) detailed cost component itemization and life-cycle cost, including cost containment or cost cap measures;

- (x) description of the financing being used;
- (xi) design and equipment standards to be used;
- (xii) detailed explanation of project feasibility and potential constraints and challenges;
- (xiii) description of the means by which the Qualified Transmission Project Sponsor(s) proposes to satisfy legal or regulatory requirements for siting, constructing, owning and operating transmission projects; and
- (xiv) detailed explanation of potential future expandability.

A Qualified Transmission Project Sponsor may submit a proposed solution that includes an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the Qualified Transmission Project Sponsor's proposed solution relating to the upgrade(s) of an existing transmission system element(s) must provide all data available to the Qualified Transmission Project Sponsor as part of its response to the request for proposal. The Qualified Transmission Project Sponsor is not required to procure agreements with the PTO for implementation of such upgrades as the PTO is required to implement the upgrade(s) in accordance with Schedule 3.09(a) of the Transmission Operating Agreement if the proposed solution is selected through the competitive process.

With each proposal, the submitting Qualified Transmission Project Sponsor must include payment of a \$100,000 study deposit per submitted Longer-Term Proposal to support the cost of Longer-Term Proposal evaluation by the ISO. The study deposit of \$100,000 shall be applied toward the costs incurred by the ISO associated with the evaluation of the Longer-Term Proposal. Any difference between a Qualified Transmission Project Sponsor's study deposit and the actual cost of the evaluation of a Longer-Term Proposal shall be paid by or refunded to the Qualified Transmission Project Sponsor, as appropriate, with interest calculated in accordance with Section 35.19a(a)(2) of the FERC regulations. Any refund payment shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any invoice to collect funds in addition to the deposit shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any disputes arising from the study process shall be addressed under the dispute resolution process specified in Section I.6 of the ISO Tariff.

Longer-Term Proposals must be submitted by the deadline specified in the public posting by the ISO of the request for proposal. The ISO may reject submittals which are insufficient or not adequately supported.

(e) LSP Coordination

Qualified Transmission Project Sponsors of Longer-Term Proposals shall also identify any LSP plans that require coordination with their Longer-Term Proposals.

(f) Review of Longer-Term Proposals

Upon receipt of Longer-Term Proposals, the ISO shall perform a review of each proposal to determine whether the proposal:

- (i) provides sufficient data and that the data is of sufficient quality to satisfy Section 16.4(d);
- (ii) satisfies the needs identified in the request for proposal;
- (iii) is technically practicable and indicates possession of, or an approach to acquiring, the necessary rights of way, property and facilities that will make the proposal reasonably feasible in the required timeframe; and;
- (iv) is eligible to be constructed only by an existing PTO in accordance with Schedule 3.09(a) of the TOA because the proposed solution is an upgrade to existing PTO facilities or because the costs of the proposed solution are not eligible for regional cost allocation under the OATT and will be allocated only to the local customers of a PTO.

For each Longer-Term Proposal that satisfies the criteria specified in this Section 16.4(f), the ISO shall also perform an independent capital cost estimate, using a consistent capital cost estimating methodology, to ensure consistency in its review of the Longer-Term Proposals and their cost estimates.

(g) Proposal Deficiencies; Further Information

If the ISO identifies any minor deficiencies (compared with the requirements of Section 16.4(d)) in the information provided in connection with a Longer-Term Proposal, the ISO will notify the Qualified Transmission Project Sponsor that submitted the Longer-Term Proposal and provide an opportunity for the Qualified Transmission Project Sponsor to cure the deficiencies within the

timeframe specified by the ISO. Upon request, Qualified Transmission Project Sponsors of Longer-Term Proposals shall provide the ISO with additional information reasonably necessary for the ISO's evaluation of the proposed solutions. In providing information under this subsection (g), the Qualified Transmission Project Sponsor may not modify its project materially or submit a new project, but instead may clarify its Longer-Term Proposal.

(h) Identification and Reporting of Preliminary Preferred Longer-Term Transmission Solution; Stakeholder Input

The ISO will identify the Longer-Term Transmission Solution that offers the best combination of electrical performance, cost, future system expandability and feasibility to comprehensively address all of the needs in the timeframes specified in the request for proposal(s) as the preliminary preferred Longer-Term Transmission Solution in response to each request for proposal.

The ISO will consider several factors during the evaluation process for identification of the preliminary preferred Longer-Term Transmission Solution. These factors may include, but are not limited to, the following which are listed in no particular order:

- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;
- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;

- Environmental impact;
- Design standards;
- Impact on NPCC Bulk Power System classification; and
- Qualified Transmission Project Sponsor(s) capabilities

The ISO will determine the financial benefits associated with Longer-Term Proposals that meet the needs identified in the request for proposal(s) and are competitive in terms of electrical performance, cost, future system expandability and feasibility. These financial benefits will consider factors that include, but are not limited to, the following which are listed in no particular order:

- Production cost and congestion savings;
- Avoided capital cost of local resources needed to serve demand;
- Avoided transmission investment;
- Reduction in losses; and
- Reduction in expected unserved energy

To be eligible for consideration as the preliminary preferred Longer-Term Transmission Solution, the Longer-Term Proposal must provide a benefit-to-cost ratio of greater than 1.0. Longer-Term Proposals with a benefit-to-cost ratio of 1.0 or less shall not be eligible for consideration as the preliminary preferred Longer-Term Transmission Solution. The benefit-to-cost ratio shall equal financial benefits divided by project costs. For the purpose of this calculation, financial benefits will be set equal to the present value of all financially quantifiable benefits provided by the project projected for the first 20 years of the project's life and project costs will be set equal to the present value of the annual revenue requirements projected for the first 20 years of the project's life.

The ISO will report the preliminary preferred Longer-Term Transmission Solution to the Planning Advisory Committee and seek input on the preliminary preferred Longer-Term Transmission Solution. Members of the Planning Advisory Committee may provide comments to the ISO on the preliminary preferred Longer-Term Transmission Solution.

(i) ISO Selection of Preferred Longer-Term Transmission Solution; NESCOE Response

Following receipt of stakeholder input, the ISO will identify the preferred Longer-Term Transmission Solution, together with an overview of why the solution is preferred, in a report and post that report on the ISO's website. The ISO will select the project that meets the conditions specified in Section 16.4(h) of this Attachment K. Within 30 days of the ISO's posting of the report identifying the preferred Longer-Term Transmission Solution, NESCOE may submit to the ISO a written communication: (a) requesting that the ISO terminate the process, or (b) requesting that the ISO continue the process, but specifying an alternative allocation for the recovery of the incremental costs to address longer-term needs beyond those necessary to address any reliability or economic needs included in the longer-term request for proposal(s). If the ISO does not receive a written communication requesting that the ISO terminate the process, the ISO will proceed in accordance with Section 16.5 of this Attachment K, which shall apply solely to Longer-Term Proposals that meet the greater than 1.0 benefit-to-cost ratio threshold. The ISO shall terminate the process if requested to do so in the written NESCOE communication pursuant to Section 16.6 of this Attachment.

(j) ISO Reporting Where No Longer-Term Proposal Meets the Greater than 1.0 Benefit-to-Cost Ratio Threshold; NESCOE Response

In the event that no Longer-Term Proposal meets the benefit-to-cost ratio threshold, the ISO will present its findings to the Planning Advisory Committee. In the absence of a Longer-Term Proposal that meets the benefit-to-cost ratio threshold, the ISO will not identify a preliminary preferred Longer-Term Transmission Solution, but will make a recommendation on a Longer-Term Proposal. Members of the Planning Advisory Committee may provide comments to the ISO on its findings, and the ISO will provide and post on its website responses to written comments. If, after considering stakeholder input, the ISO determines that no Longer-Term Proposal meets the benefit-to-cost ratio threshold, the ISO will cancel the request for proposal in accordance with Section 16.6 of this Attachment K after the 15th day from the posting of the ISO's responses on the website.

Notwithstanding any other provision of this Attachment K, the ISO will not cancel the request for proposal in accordance with Section 16.6 of this Attachment K if, by the 15th day from the posting of the ISO's responses on the website, the ISO receives a written communication from NESCOE: (a) accepting the ISO recommended Longer-Term Proposal, identifying the New England states, individually or jointly, that have agreed to voluntarily fund the costs of that Longer-Term Proposal in excess of those eligible for treatment as Regional Benefit Upgrades pursuant to Schedule 12 of the OATT, and identifying the manner in which those excess costs shall be allocated among the states identified in the communication, or (b) identifying up to three Longer-Term Proposals for which NESCOE seeks further analysis. If the communication from NESCOE accepts the ISO-recommended Longer-Term Proposal, this proposal becomes the preferred Longer-Term Proposal and the ISO will proceed in accordance with Section 16.8 of this Attachment K, which shall apply solely to Longer-Term Proposals that do not meet the greater than 1.0 benefit-to-cost ratio threshold. If NESCOE identifies Longer-Term Proposals for further analysis, the ISO will perform further analysis of these proposals, present its findings to the Planning Advisory Committee for input, and post that input on its website. A Longer-Term Proposal is eligible for NESCOE's identification as a preferred Longer-Term Proposal if the ISO, at its sole discretion, has determined that it addresses all the needs in the timeframes specified in the request for proposal(s) and is viable. The ISO will cancel the request for proposal in accordance with Section 16.6 of this Attachment K after 15 days from posting the Planning Advisory Committee's input, unless the ISO receives a written communication from NESCOE identifying a preferred Longer-Term Proposal, the New England states, individually or jointly, that have agreed to voluntarily fund the costs of that Longer-Term Proposal in excess of those eligible for treatment as Regional Benefit Upgrades pursuant to Schedule 12 of the OATT, and identifying the manner in which those excess costs shall be allocated among the states identified in the communication, in which case, the ISO will proceed in accordance with Section 16.8 of this Attachment K.

16.5 Where the Greater than 1.0 Benefit-to-Cost Ratio Threshold has Been Met: Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List; Milestone Schedule; Removal from RSP Project List

(a) Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List

If the ISO does not receive a written NESCOE communication requesting that the ISO terminate the process or providing an alternative cost allocation within the 30 day period specified in Section 16.4(i) of this Attachment, the ISO will notify the Qualified Transmission Project Sponsor that proposed the preferred Longer-Term Transmission Solution that its project has been selected for development, and include the project as a Longer-Term Transmission Upgrade in the Regional System Plan or RSP Project List, as it is updated from time to time in accordance with this Attachment. The preferred Longer-Term Transmission Solution may include an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the ISO will notify the PTO that has upgrades required by the preferred Longer-Term Transmission Solution to proceed in accordance with Schedule 3.09(a) of the TOA.

If the ISO receives a written NESCOE communication providing an alternative cost allocation pursuant to Section 16.4(i) of this Attachment, the ISO will notify the Qualified Transmission Project Sponsor that proposed the preferred Longer-Term Transmission Solution that its project has been selected for development and the PTO that has upgrades required by the preferred Longer-Term Transmission Solution, and provide them the written NESCOE communication reflecting the requested alternative cost allocation. In the case where the ISO notifies the PTO that has upgrades required by the preferred Longer-Term Transmission Solution to proceed in accordance with Schedule 3.09(a) of the TOA, any prudently incurred PTO costs associated with a filing to implement the cost allocation requested by NESCOE will be recovered by the applicable PTO in accordance with Attachment F of this OATT.

Within 30 days of the Commission's order addressing the alternative cost allocation, NESCOE will provide the ISO a communication specifying whether the process should proceed in accordance with Section 16.5(b) or terminate in accordance with Section 16.6 of this Attachment K. If the written NESCOE communication provides for the process to

proceed, then the ISO will notify the Qualified Transmission Project Sponsor and PTO and include the project as a Longer-Term Transmission Upgrade in the Regional System Plan or RSP Project List, as it is updated from time to time in accordance with this Attachment. If the written NESCOE communication requests termination of the process, the ISO shall terminate the process pursuant to Section 16.6 of this Attachment.

Costs for the Longer-Term Transmission Upgrade included in the Regional System Plan or RSP Project List shall be allocated in accordance with Section 10 of Schedule 12 to this OATT.

(b) Execution of Selected Qualified Transmission Project Sponsor Agreement

If the ISO does not receive a written NESCOE communication requesting that the ISO terminate the process or providing an alternative cost allocation pursuant to Section 16.4(i) of this Attachment, within 30 days of receiving notification pursuant to Section 16.5(a) of this Attachment, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of receiving notification pursuant to Section 16.5(a) of this Attachment, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

If the ISO receives a written NESCOE communication providing an alternative cost allocation pursuant to Section 16.4(i) of this Attachment, within 30 days of the ISO's notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement

(Attachment P to the OATT). Within 30 days of the ISO's notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

Qualified Transmission Project Sponsors whose projects are listed on the RSP Project List and have executed the Selected Qualified Transmission Project Sponsor Agreement shall be entitled to recover, pursuant to the rates and appropriate financial arrangements set forth in the Tariff and, as applicable, the TOA and NTDOA, all prudently incurred cost associated with developing the Longer-Term Transmission Upgrade subsequent to executing the Selected Qualified Transmission Project Sponsor Agreement.

PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a Longer-Term Transmission Solution proposed by any other Qualified Transmission Project Sponsor.

Notwithstanding the foregoing, a PTO is not precluded from recovering, pursuant to the applicable rates and appropriate financial arrangements set forth in the Tariff and the TOA, all prudently incurred costs associated with meeting its obligations to plan and maintain its Transmission Facilities as defined in Section 2.01 of the TOA.

(c) Failure to Proceed

If the ISO finds, after consultation with a Qualified Transmission Project Sponsor, that the sponsor is failing to pursue approvals or construction in a reasonably diligent fashion, or that one or more of the Qualified Transmission Project Sponsors is unable to proceed with the project due to forces beyond its reasonable control, the ISO shall, after

consultation with the Planning Advisory Committee, prepare a report, including a proposed course of action. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. The proposed course of action may include, for example, a consideration and selection of another Longer-Term Proposal, or the re-solicitation of Longer-Term Proposals. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO shall file its report (whether with respect to a PTO or a non-PTO Qualified Transmission Project Sponsor) with the Commission.

16.6 Cancellation of a Longer-Term Transmission Study; Cancellation of a Request for Proposal

The ISO may cancel a Longer-Term Transmission Study process or a request for proposal at any time. Such cancellation may be due, but is not limited to, new or different assumptions which may change or eliminate the identified needs. The ISO shall cancel a Longer-Term Transmission Study process or a request for proposal if requested to do so in a written NESCOE communication.

16.7 Local Longer-Term Transmission Upgrades

The costs of Local Longer-Term Transmission Upgrade(s) that are required in connection with the construction of a Longer-Term Transmission Upgrade approved for inclusion in the Regional System Plan in accordance with Section 16.5(a) of this Attachment K shall be allocated in accordance with Schedule 21 of the OATT.

16.8 Where the Greater than 1.0 Benefit-to-Cost Ratio Threshold has not been Met: Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List; Milestone Schedule; Removal from RSP Project List

- (a) Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List**

Upon receipt of a written NESCOE communication identifying a preferred Longer-Term Proposal pursuant to Section 16.4(j) of this Attachment K, the ISO will notify the Qualified Transmission Project Sponsor that proposed the Longer-Term Proposal that its project has been selected for development as the preferred Longer-Term Transmission Solution and the PTO that has upgrades required by the preferred Longer-Term Transmission Solution, and provide them the written NESCOE communication identifying the New England states that have voluntarily agreed to fund costs in excess of those eligible for treatment as Regional Benefit Upgrades pursuant to Schedule 12 of this OATT and the agreed-to allocation for the excess costs. In the case where the ISO notifies the PTO that has upgrades required by the preferred Longer-Term Transmission Solution to proceed in accordance with Schedule 3.09(a) of the TOA, any prudently incurred PTO costs associated with a filing to implement the cost allocation requested by NESCOE will be recovered by the applicable PTO in accordance with Attachment F of this OATT.

Within 30 days of the Commission's order addressing the cost allocation, NESCOE will provide the ISO a communication specifying whether the process should proceed in accordance with Section 16.8(b) or terminate in accordance with Section 16.6 of this Attachment K. If the written NESCOE communication provides for the process to proceed, then the ISO will notify the Qualified Transmission Project Sponsor and PTO and include the project as a Longer-Term Transmission Upgrade in the Regional System Plan or RSP Project List, as it is updated from time to time in accordance with this Attachment. If the written NESCOE communication requests termination of the process, the ISO shall terminate the process pursuant to Section 16.6 of this Attachment.

Costs for the Longer-Term Transmission Upgrade included in the Regional System Plan or RSP Project List shall be allocated in accordance with Section 10 of Schedule 12 to this OATT.

(b) Execution of Selected Qualified Transmission Project Sponsor Agreement

Within 30 days of the ISO's notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed under Section 16.8(a) of this Attachment K, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of the ISO's notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed under Section 16.8(a) of this Attachment K, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

Qualified Transmission Project Sponsors whose projects are listed on the RSP Project List and have executed the Selected Qualified Transmission Project Sponsor Agreement shall be entitled to recover, pursuant to the rates and appropriate financial arrangements set forth in the Tariff and, as applicable, the TOA and NTDOA, all prudently incurred cost associated with developing the Longer-Term Transmission Upgrade subsequent to executing the Selected Qualified Transmission Project Sponsor Agreement.

PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a Longer-Term Transmission Solution proposed by any other Qualified Transmission Project Sponsor.

Notwithstanding the foregoing, a PTO is not precluded from recovering, pursuant to the applicable rates and appropriate financial arrangements set forth in the Tariff and the TOA, all prudently incurred costs associated with meeting its obligations to plan and maintain its Transmission Facilities as defined in Section 2.01 of the TOA.

(c) Failure to Proceed

If the ISO finds, after consultation with a Qualified Transmission Project Sponsor, that the sponsor is failing to pursue approvals or construction in a reasonably diligent fashion, or that one or more of the Qualified Transmission Project Sponsors is unable to proceed with the project due to forces beyond its reasonable control, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report, including a proposed course of action. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. The proposed course of action may include, for example, a consideration and selection of another Longer-Term Proposal, or the re-solicitation of Longer-Term Proposals. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO shall file its report (whether with respect to a PTO or a non-PTO Qualified Transmission Project Sponsor) with the Commission.

17. Procedures for the Conduct of Economic Studies

This Section 17 sets forth the procedures for the ISO's conduct of Economic Studies.

17.1 Overview

The Economic Study process shall be used to identify market efficiency issues on the PTF portion of the New England Transmission System and, as applicable, evaluate competitive solutions to alleviate identified market efficiency needs. The process will also provide information to facilitate the evaluation of economic and environmental impacts of New England regional policies, federal policies, and various resource technologies on satisfying future resource needs in the region.

17.2 Economic Study Reference Scenarios

The ISO shall develop and study the following four reference scenarios. The ISO shall consult with, and consider the input from, the Planning Advisory Committee on the scope, parameters, and assumptions used in modeling the scenarios described in this Section 17.2.

(a) Benchmark Scenario

The purpose and scope of the Benchmark Scenario is to improve the economic planning model and associated assumptions and criteria used in the other scenarios by comparing it against historical performance of the system in the previous year and adjusting the assumptions and model accordingly. This scenario will help identify any modeling issues in the base set of input data.

The initial economic planning model will use the existing base case model and data and may be adjusted based on historical performance and observations. Historical performance of the system includes recorded observations from the prior year to the beginning of the study cycle.

The study year shall be year N-1 and the simulation length shall be one year for the Benchmark Scenario.

Any identified market efficiency issues resulting from a Benchmark Scenario shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

(b) Market Efficiency Needs Scenario

The purpose and scope of the Market Efficiency Needs Scenario is to identify market efficiency issues on the PTF portion of the New England Transmission System at the end of the ten-year planning horizon pursuant to Section 17.5 of this Attachment. Pursuant to Section 4.1 of this Attachment, the ISO shall conduct a market efficiency Needs Assessment to evaluate and determine whether market efficiency issues identified in a Market Efficiency Needs Scenario are market efficiency needs.

The model used for the Market Efficiency Needs Scenario shall be the updated base case from the Benchmark Scenario and forecasted out to the ten-year planning horizon year using assumptions and criteria in Section 4.1(f) of this Attachment.

The study year shall be year N+10 and the simulation length shall be one year for the Market Efficiency Needs Scenario.

(c) Policy Scenario

The purpose and scope of the Policy Scenario is to identify any potential market efficiency issues resulting from the New England states' energy policies and goals, among others (e.g., federal legislation, state legislation, or utility renewable portfolio standard targets). The policies and goals selected for the Policy Scenario shall be selected by the ISO and Planning Advisory Committee pursuant to Section 17.4 of this Attachment.

The model used for the Policy Scenario shall be the base case model resulting from the Benchmark Scenario and forecasted out to a year when relevant New England and other applicable energy policies and goals are in full effect.

The study year for the Policy Scenario shall be dependent on deadlines for achieving the New England region and other energy policies and goals. However, the study year will be at least ten years into the future and cover the deadlines for achieving all applicable goals and policies. The study simulation length shall be one year.

The results from studying a Policy Scenario shall be used for informational purposes only. Any identified market efficiency issues resulting from a Policy Scenario shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

(d) Stakeholder-Requested Scenario

The purpose of the Stakeholder-Requested Scenario is to study a scenario with a region-wide scope that is requested by stakeholders and not covered by the other scenarios described in this Section 17.

The model used for the Stakeholder-Requested Scenario shall be the base case model resulting from the Benchmark Scenario and then forecasted out to a year with assumptions requested by the stakeholders and agreed upon by the ISO.

The study year shall be dependent on the requested scenario and the simulation length shall be one year.

The results from studying a Stakeholder-Requested Scenario shall be used for informational purposes only. Any identified market efficiency issues resulting from a Stakeholder-Requested Scenario shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

17.3 Frequency, Initiation, and Schedule

The Economic Study process shall be conducted at least once every three years and at most once every two years. The process shall be initiated for the first time under this Section 17 in January 2024.

Each Economic Study cycle shall be initiated by the ISO providing the Planning Advisory Committee with notice that the ISO will be initiating the process for the Economic Study cycle. The ISO shall provide to the Planning Advisory Committee the schedule for the Economic Study cycle within three months of initiating the process. The schedule shall include dates for the ISO's collection, and stakeholders' submission, of data to be used in the studies, the preparation of models, the completion of studies, and the issuance of study results. The schedule shall include a one-month period for stakeholders to submit proposals for the Stakeholder-Requested Scenario. If the Economic Study cycle and potential resulting competitive request for proposals process cannot be completed within the initial schedule, the ISO shall notify stakeholders of such, provide a revised estimated completion date, and provide an explanation of the reason or reasons why the additional time is required.

17.4 Preparation of the Economic Study Reference Scenarios and Stakeholder Sensitivity Requests

The ISO shall prepare and post on its website a proposed scope for the scenarios described in Section 17.2, and the associated parameters and assumptions. The ISO shall either provide the Planning Advisory Committee with notice that the ISO posted the information or send the information itself to the Planning Advisory Committee after it is posted. A Planning Advisory Committee meeting will be held thereafter to solicit stakeholder input for consideration by the ISO on the study's scope, parameters, and assumptions.

Following the analyses, runs, and presentation of the results of the Economic Study reference scenarios described in Section 17.2, stakeholders may request, and the ISO may propose, additional sensitivities to test the effect of a specific change to input assumptions. The sensitivities shall be limited to a single theme or category of changes to allow for better understanding of the causal effect of the change to the results. The ISO shall prioritize and list the sensitivities that can be completed during the Economic Study cycle taking into consideration the impact of the additional efforts on the ISO resources and other priorities.

Results from studies conducted with stakeholder-requested scenario sensitivities shall be used for information purposes only. Any identified market efficiency issues resulting from a study with a stakeholder-requested scenario sensitivity shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

17.5 Market Efficiency Needs Assessment

The ISO shall use the Market Efficiency Needs Scenario and criteria in Attachment N to identify market efficiency issues on the PTF portion of the New England Transmission System and, as applicable, identify market efficiency needs on the PTF portion of the New England Transmission System.

All of the market efficiency issues and associated benefits of relieving those issues will be documented in a market efficiency Needs Assessment conducted pursuant to Section 4.1 of this Attachment.

Any market efficiency issues that meet the criteria in Attachment N will be identified as market efficiency needs, and a request for proposal or multiple requests for proposals will be issued to initiate the competitive solution process for Market Efficiency Transmission Upgrades to address the identified market efficiency need or needs pursuant to Section 4.3 of this Attachment.

17.6 Evaluation of Regulated Transmission Solutions for Market Efficiency Transmission Upgrades

The process in Section 4.3 of this Attachment shall be used to solicit and evaluate competitive solutions for identified market efficiency needs.

17.7 Stakeholder Input on Study Results

After the results from the Economic Study reference scenarios described in Section 17.2 and stakeholder-requested scenario sensitivities described in Section 17.4 are available, the ISO shall provide such results to stakeholders at Planning Advisory Committee meetings and solicit feedback based on the results.

17.8 Economic Studies Requested by Individual Stakeholders

An individual stakeholder may request that the ISO conduct Economic Studies at the stakeholder's own expense to examine situations where potential regulated transmission solutions, market responses, or investments could result in (i) a net reduction in total production cost to supply system load based on the factors specified in Attachment N of this OATT, (ii) reduced congestion, or (iii) the integration of new resources or loads, or both, on an aggregate or regional basis. The scope, assumptions, and deliverables shall be agreed to by the ISO and the stakeholder requesting the study. The notice and schedule initiating the Economic Study process described in Section 17.3 shall include the dates for submitting requests for studies under this Section 17.8.

The ISO may hire a consultant to conduct the analysis, and the entity requesting the study shall be responsible for the ISO's costs for study administration, study analysis, and consultants used to perform the study.

The ISO shall provide an estimated cost and duration to each stakeholder that requests an Economic Study. Each stakeholder that requests a study under this Section 17.8 shall provide written confirmation with the ISO that the stakeholder would like the ISO to proceed with conducting the study after receiving the estimated cost and duration for the study it requested.

The results from studies conducted pursuant to this Section 17.8 shall be used for informational purposes only. Any identified market efficiency issues resulting from studies conducted pursuant to this Section 17.8 shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

17.9 Cost Recovery

The costs of the Economic Study process described in Sections 17.1 through 17.7 shall be recovered by the ISO pursuant to Schedule 1 of Section IV.A of the Tariff. The costs of Economic Studies performed by the ISO under Section 17.8 of this Attachment shall be paid for by the stakeholder requesting the study.

17.10 Coordination with PTOs

The PTOs shall coordinate with the ISO in the performance of the Economic Study process pursuant to and as described in Section 5 of this Attachment.

ATTACHMENT K APPENDIX 1
ATTACHMENT K -LOCAL
LOCAL SYSTEM PLANNING PROCESS

APPENDIX 1
ATTACHMENT K -LOCAL
LOCAL SYSTEM PLANNING PROCESS

1. Local System Planning Process

1.1 General

In circumstances where transmission system planning for Non-Pool Transmission Facilities (“Non-PTF”)¹, including Local Public Policy Transmission Upgrades, is taking place in New England that is not incorporated into the RSP planning process, the following Local System Plan (“LSP”) process will be utilized for transmission planning purposes. The purpose of the LSP is to enable formal stakeholder input to planning for Non-PTF that is not incorporated into the RSP. The LSP shall ensure the opportunity for Planning Advisory Committee participation in the LSP process. The LSP will not be subject to approval by the ISO or the ISO Board under the RSP.

1.2 Planning Advisory Committee Review

The Planning Advisory Committee shall periodically provide input and feedback to the PTOs concerning the development of the LSP and the conduct of associated system enhancement and expansion studies. It is contemplated that LSP issues for identified local areas will be periodically addressed at the end of regularly scheduled Planning Advisory Committee meetings. Regular meetings of the Planning Advisory Committee shall be extended as necessary to serve the purposes of this section. Each PTO contemplating the addition of new Non-PTF will present its respective LSP to the Planning Advisory Committee not less than once per year. Not less than every three years, each PTO will post a notice as part of its LSP process indicating that members of the Planning Advisory Committee, NESCOE, or any state may provide the PTO with input regarding state and federal Public Policy Requirements identified as driving transmission needs relating to Non-PTF and regarding particular local transmission needs driven by Public Policy Requirements. The PTO will provide a written explanation, to be posted on the ISO website, of why suggested transmission needs driven by Public Policy Requirements will or will not be evaluated for potential solutions in the LSP planning process.

1.3 Role of the PTOs

¹ For absence of doubt, the PTOs clarify that Non-PTF is meant to include Category B and Local Area Facilities as defined by the TOA.

Each PTO will be responsible for administering the LSP process pertaining to its own Non-PTF, including Local Public Policy Transmission Upgrades, by presenting LSP information to the Planning Advisory Committee, developing an appropriate needs analysis and addressing LSP needs within its local area. In developing its LSP, each PTO will ensure comparable treatment of similarly situated customers or potential customers and will take into consideration data, comments and specific requests supplied by the Planning Advisory Committee, Transmission Customers and other stakeholders. To the extent that generation and/or demand resources are identified that could impact planning for Non-PTF, each PTO will take such resources into account when developing the LSP for its facilities, consistent with Good Utility Practice. Each PTO will also be responsible for addressing issues or concerns arising out of Planning Advisory Committee review of its proposed LSP and posting its LSP and the LSP Project List.

1.4 Description of LSP

The LSP shall describe the projected improvements to Non-PTF that are needed to maintain system reliability or as Local Public Policy Transmission Upgrades, and shall reflect the results of such reviews within the limited geographical areas that pertain to the LSP, as determined by each PTO (“LSP Needs Assessments”), and corresponding system planning and expansion studies. The LSP Needs Assessments will be coordinated with the RSP and include the information that the ISO-NE incorporates into the RSP plans, as applicable. The proponents of regulated transmission proposals in response to LSP Needs Assessments shall also identify any RSP plans that require coordination with their regulated transmission proposals addressing the Non-PTF system needs.

The LSP shall identify the planning process, criteria, data, and assumptions used to develop the LSP. To the extent the current LSP utilizes data, assumptions or criteria used by the ISO in the RSP, any such data, assumptions or criteria will also be identified in the LSP.

Each PTO shall consult with NESCOE and applicable states, local authorities and stakeholders to consider their views prior to including a Local Public Transmission Upgrade in its LSP, as described in Section 1.6.

Each PTO’s LSP will be made available on a website for review by the Planning Advisory Committee, Transmission Customers and other stakeholders, subject to the ISO New England Information Policy and

CEII restrictions or requirements. The ISO's posting of the RSP and the RSP Project List will include links to each PTO's specific LSP posting.

The LSP of a particular PTO shall be posted not less than 3 business days prior to its presentation by the PTO to the Planning Advisory Committee. The Planning Advisory Committee, Transmission Customers, and other stakeholders will have 30 days from the date of the PTO's presentation to the Planning Advisory Committee to provide any written comments for consideration by the PTO. The LSP shall specify the physical characteristics of the solutions that can meet the needs identified in the LSP. The LSP shall provide sufficient information to allow Market Participants to assess the quantity, general locations and operating characteristics of the type of incremental supply or demand-side resources, or merchant transmission projects, that would satisfy the identified needs or that may serve to modify, offset or defer proposed regulated transmission upgrades.

Each year's LSP shall be based upon the LSP completed in the prior year by either recertifying the results of the prior LSP or providing specific updates.

1.5 Economic Studies

To the extent that the ISO selects any Economic Studies pursuant to Section 4.1(b) of Attachment K or otherwise performs Economic Studies that will impact Non-PTF, the PTOs will coordinate with the ISO in the performance of such Economic Studies.

1.6 Public Policy Studies

As part of the LSP process, each PTO will evaluate potential transmission solutions on its Non-PTF system that are likely to be both efficient and cost-effective for meeting Public Policy Requirements.

1.6A Process to Identify Public Policy Requirements Driving Non-PTF Transmission Needs

Within six months of publication, each PTO will review the Public Policy Requirements posted by the ISO to determine and evaluate at a high level any public policy needs potentially driving transmission needs on their respective Non-PTF systems. Such evaluations will also include potential public policy needs suggested by third parties. Each PTO will review NESCOE's written explanation of which transmission needs driven by state or federal Public Policy Requirements will be evaluated by the ISO and why other suggested transmission needs will not be evaluated. If NESCOE does not provide a listing

of identified transmission needs and explanation, each PTO will review the ISO's explanations of which transmission needs driven by state or federal Public Policy Requirements will be evaluated by the ISO and why other suggested transmission needs will not be evaluated. In addition, each PTO will review the ISO's explanation of which transmission needs driven by local Public Policy Requirements will be evaluated in the regional system planning process and why other suggested transmission needs driven by local Public Policy requirements will not be evaluated. Each PTO will then determine if any of the posted state, federal or local Public Policy Requirements are driving a need on its Non-PTF transmission system and will include the non-PTF needs in its local planning process.

As part of the local planning process, each PTO will list the identified transmission needs on its non-PTF transmission system driven by state, federal, or local Public Policy Requirements that will be evaluated, and provide an explanation of why any identified transmission needs will not be evaluated as part of its LSP. The list will be posted in the PTO's LSP and presented at the annual PAC meeting. The PTO will seek input at the PAC meeting from stakeholders about whether further study is warranted to identify solutions for local transmission system needs and seek recommendations about whether to proceed with such studies. A stakeholder may provide written input on the list within 30 days from the date of presentation for consideration by the PTO. Each PTO will then confirm, or modify if appropriate, its determination of which identified transmission needs on its non-PTF transmission system driven by state, federal, or local Public Policy Requirements will be evaluated and which will not be evaluated, and revise its annual LSP accordingly. If the potential Non-PTF transmission needs identified would affect the Non-PTF facilities of more than one PTO, the affected PTOs will coordinate their efforts with other affected PTOs, as necessary.

1.6B Procedure for Evaluating Potential Public Policy Solutions on the Non-PTF

Once it has been determined that a non-PTF need driven by state, federal or local Public Policy Requirements will be evaluated, each PTO will prepare a scope and associated assumptions as part of a Public Policy Local Transmission Study. For those needs where a scope is available, a PTO may present the proposed scope for the Public Policy Local Transmission Study within its LSP and as part of its LSP presentation described in Section 1.6A. A stakeholder may provide written input to the scope within 30 days after the LSP presentation for the PTO to consider.

Each PTO will schedule a follow-up PAC meeting presentation for additional stakeholder input within 4 months after the PTO's LSP presentation as described in Section 1.6A if the proposed scope for a Public

Policy Local Transmission Study was not included in its annual LSP presentation. Within 30 days after the follow-up meeting, a stakeholder may provide written input to the scope for the PTO to consider. Subsequently, the PTO will determine the study scope for the Public Policy Local Transmission Study and revise its annual LSP.

In preparation of a Public Policy Local Transmission Study that will be presented to the PAC as part of the LSP for the following year, the PTO will undertake the following: First, the PTO will perform the initial phase of the Public Policy Local Transmission Study to develop an estimate of costs and benefits and post its preliminary results on a website. Second, the PTO will use good faith efforts to contact stakeholders and the appropriate state and/or local authorities informing them of the posting, requesting input on whether further study is warranted to identify solutions for local transmission system needs, and seeking recommendations about whether to proceed with further planning and construction of a Local Public Policy Transmission Upgrade. Each PTO will then make a determination of whether further study is warranted to identify solutions for local transmission system needs, or will select its final solution, and revise its annual LSP accordingly. If the potential Non-PTF transmission needs identified would affect the Non-PTF facilities of more than one PTO, the affected PTOs will coordinate their efforts with other affected PTOs, as necessary. Results of a Public Policy Local Transmission Study will be provided to the PAC as part of the LSP for the following year.

2. Posting of LSP Project List

Each PTO shall develop, maintain and make available on a website, a cumulative listing of proposed regulated transmission solutions that may meet LSP needs (the “LSP Project List”). The LSP Project List will be updated at least annually. The LSP Project List shall also provide reasons for any new Non-PTF, including Local Public Policy Transmission Upgrades, any change in status of proposed Non-PTF, including Local Public Policy Transmission Upgrades, or any removal of proposed Non-PTF, including Local Public Policy Transmission Upgrades, from the LSP Project List. Each PTO will be individually responsible for publicly posting and updating the status of its respective LSP and the transmission projects arising therefrom on a website in a format comparable to the manner in which RSP plans and projects are posted on the RSP Project List. The ISO’s posting of the RSP and RSP Project List will include links to each PTO’s specific LSP Project List.

3. Posting of Assumptions and Criteria

Each PTO will make available on a website the planning criteria and assumptions used in its current LSP. A link to each PTO's planning criteria and assumptions will be posted on the ISO website.

4. Cost Responsibility for Transmission Upgrades

The cost responsibility for each upgrade, modification or addition to the transmission system in New England that is included in the LSP Project List of this Appendix 1 shall be determined in accordance with Schedule 21 of this OATT.

5. LSP Dispute Resolution Procedures

5.1 Objective

Section 5 of this Appendix 1 sets forth an LSP dispute resolution process (the "LSP Dispute Resolution Process") through which LSP-related transmission planning-related disputes may be resolved as expeditiously as possible.

5.2 Confidential Information and CEII Protections

All information disclosed in the course of the LSP Dispute Resolution Process shall be subject to the protection of confidential information and CEII consistent with the ISO New England Information Policy and CEII policy.

5.3 Eligible Parties

Any member of the Planning Advisory Committee that has been adversely affected by a PTO's Reviewable Determination with respect to the LSP transmission planning process described in this Appendix 1 is eligible to raise its dispute, as appropriate, under this LSP Dispute Resolution Process ("Disputing Party").

5.4 Scope

In order to ensure that the LSP transmission planning process set forth under this Appendix 1 moves expeditiously forward, the scope of issues that may be subject to the LSP Dispute Resolution Process under this Section 5 shall be limited to certain key procedural and substantive decisions made by the applicable PTO within its authority as specified in documents on file with the Commission. That is, decisions not subject to resolution within the jurisdiction of the Commission are not within the scope of

this LSP Dispute Resolution Process. Examples of matters not within the scope of the LSP Dispute Resolution Process include planning to serve retail native load or state siting issues. Additionally, the Tariff already explicitly provides specific dispute resolution procedures for various matters. To this end, any matter regarding the review and approval of applications pursuant to Section I.3.9 of the Tariff, which is subject to the dispute resolution process under Section I.6 of the Tariff, shall not be within the scope of this LSP Dispute Resolution Process. Similarly, any matter regarding Transmission Cost Allocation shall be governed by the dispute resolution process under Schedule 12 of the OATT, and shall be outside the scope of this LSP Dispute Resolution Process.

(a) Reviewable Determinations:

The LSP determinations made by the applicable PTO that may be subject to the LSP Dispute Resolution Process under this Section 5 ("Reviewable LSP Determination") shall include certain procedural and substantive challenges at designated key decision points during the LSP transmission planning process for Non-PTF, including Local Public Policy Transmission Upgrades ("Key LSP Decision Points"). Procedural challenges will be limited to whether or not the steps taken up to a Key LSP Decision Point conform to the requirements set forth in this Appendix 1. Substantive challenges will be limited to whether or not a determination or conclusion rendered at a Key LSP Decision Point was supported by adequate basis in fact. The Key LSP Decision Points shall be limited to the following:

- (i) Results of an LSP Needs Assessment conducted and communicated by a PTO to the Planning Advisory Committee as specified in this Appendix 1;
- (ii) Updates to the LSP Project List, including adding, removing or revising regulated Non-PTF transmission solutions included thereunder, as presented at the Planning Advisory Committee and as specified in this Appendix 1;
- (iii) Results of Non-PTF transmission solutions studies, including any Local Public Policy Transmission Upgrade studies, conducted and communicated by the PTO to the Planning Advisory Committee as specified in this Appendix 1; and

- (iv) Consideration of market responses in LSP Needs Assessments as specified in this Appendix 1.

(b) Material Adverse Impact

In order to prevail in a challenge to a procedural-based Reviewable LSP Determination, the Disputing Party must show that the alleged procedural error had a material adverse impact on the determination or conclusion made by the applicable PTO. In order to prevail in a challenge to a substantive-based Reviewable LSP Determination, the Disputing Party must show that either (i) the determination is based on incorrect data or assumptions or (ii) incorrect analysis was performed by the PTO, and (iii) as a result thereof, the PTO made an incorrect decision or determination.

5.5 Notice and Comment

A Disputing Party aggrieved by a PTO's Reviewable LSP Determination shall have fifteen (15) calendar days upon learning of the Reviewable LSP Determination following the PTO's presentation of such LSP Reviewable Determination at the Planning Advisory Committee to request dispute resolution by giving notice to the Applicable PTO ("Request for LSP Dispute Resolution").

A Request for LSP Dispute Resolution shall be in writing and shall be provided to the applicable PTO and, as appropriate, other affected Transmission Owners. Within three (3) Business Days of the receipt by a PTO of a Request for Dispute Resolution, the PTO, in coordination with the ISO, shall prepare and distribute to all members of the Planning Advisory Committee a notice of the Request for Dispute Resolution including, subject to the protection of Confidential Information and CEII, the specifics of the Request for Dispute Resolution and providing the name of a PTO representative to whom any comments may be sent. Any member of the Planning Advisory Committee may submit to the PTO's designated representative, on or before the tenth (10th) Business Day following the date the PTO distributes the notice of the Request for Dispute Resolution, written comments to the PTO with respect to the Request for Dispute Resolution. The Disputing Party filing the Request for Dispute Resolution may respond to any such comments by submitting a written response to the PTO's designated representative and to the commenting party on or before the fifteenth (15th) Business Day following the date the PTO distributes the notice of the Request for Dispute Resolution. The PTO may, but is not required to, consider any written comments.

5.6 Dispute Resolution Procedure

(a) Resolution Through the Planning Advisory Committee

The Planning Advisory Committee shall discuss and resolve any LSP related dispute arising under this Appendix 1 involving a Reviewable LSP Determination, as defined in Section 5.4 of this Appendix 1, between and among the applicable PTO, the Disputing Party, and, as appropriate, other affected Transmission Owners and the ISO (collectively, “Parties”) (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution).

(b) Resolution Through Informal Negotiation

To the extent that the Planning Advisory Committee is not able to resolve a dispute arising under this Appendix 1 involving a Reviewable LSP Determination, as defined in Section 5.4 of this Appendix 1, between and among the Parties, such dispute shall be the subject of good-faith negotiations among the Parties. Each Party shall designate a fully authorized senior representative for resolution on an informal basis as promptly as practicable.

(c) Resolution Through Alternative Dispute Resolution

In the event the designated representatives are unable to resolve the dispute through informal negotiations within thirty (30) days, or such other period as the Parties may agree upon, by mutual agreement of the Parties, such LSP related dispute may be submitted to mediation or any other form of alternative dispute resolution upon the agreement of all Parties to participate in such mediation or other alternative dispute resolution process. Such form of alternative dispute resolution shall not include binding arbitration.

If a Party identifies exigent circumstances reasonably requiring expedited resolution of the LSP related dispute, such Party may file a Complaint with the Commission or seek other appropriate redress before a court of competent jurisdiction

5.7 Notice of Results of Dispute Resolution

Within three (3) Business Days following the resolution of a dispute pursuant to either Section 5.6(b) or 5.6(c) of this Appendix 1, the PTO shall distribute to members of the Planning Advisory Committee a document reflecting the resolution.

5.8 Rights under the Federal Power Act:

Nothing in this Appendix 1 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

ATTACHMENT K APPENDIX 2
LIST OF ENTITIES ENROLLED IN THE TRANSMISSION PLANNING REGION

APPENDIX 2

ATTACHMENT K

LIST OF ENTITIES ENROLLED IN THE TRANSMISSION PLANNING REGION

The entities listed in this Appendix 2 are those enrolled for the purpose of participating as a transmission provider in the New England transmission planning region pursuant to Attachment K as of the date the revisions to this Appendix 2 were filed with the Commission. The most current list of entities enrolled for the purpose of participating as a transmission provider in the New England transmission planning region pursuant to Attachment K is available on the ISO-NE website. This Appendix 2 will be updated to reflect any subsequent enrollments as part of unrelated OATT filings at the time ISO-NE undertakes such unrelated filings.

Town of Braintree Electric Light Department

Central Maine Power Company

Chicopee Municipal Lighting Plant

The Connecticut Light and Power Company

Connecticut Municipal Electric Energy Cooperative

Connecticut Transmission Municipal Electric Energy Cooperative

Cross-Sound Cable Company, LLC

Fitchburg Gas and Electric Light Company

Green Mountain Power Corporation

The City of Holyoke Gas and Electric Department

Town of Hudson Light & Power Department

Maine Electric Power Company

Massachusetts Municipal Wholesale Electric Company

Town of Middleborough Gas & Electric Department

The Narragansett Electric Company d/b/a Rhode Island Energy

New England Electric Transmission Corporation

New England Energy Connection, LLC

New England Hydro-Transmission Corporation

New England Hydro-Transmission Electric Company Inc.
New England Power Company d/b/a National Grid
New Hampshire Electric Cooperative, Inc.
New Hampshire Transmission, LLC
Town of Norwood Municipal Light Department
NSTAR Electric Company
Public Service Company of New Hampshire
Town of Reading Municipal Light Department
Shrewsbury Electric & Cable Operations
Town of Stowe Electric Department
Taunton Municipal Lighting Plant
The United Illuminating Company
Unitil Energy Systems, Inc.
Vermont Electric Cooperative, Inc.
Vermont Electric Power Company, Inc.
Vermont Electric Transmission Company
Vermont Public Power Supply Authority
Vermont Transco LLC
Versant Power
Town of Wallingford, CT, Department of Public Utilities, Electric Division

ATTACHMENT K APPENDIX 3

LIST OF QUALIFIED TRANSMISSION PROJECT SPONSORS

The entities listed in this Appendix 3 are those approved by ISO-NE as Qualified Transmission Project Sponsors as of the date the revisions to this Appendix 3 were filed with the Commission. The most current list of entities approved as Qualified Transmission Project Sponsors is available on the ISO-NE website. This Appendix 3 will be updated to reflect any subsequent enrollments as part of unrelated OATT filings at the time ISO-NE undertakes such unrelated filings.

Anbaric Development Partners, LLC

Avangrid Networks, Inc.

Central Maine Power Company

Connecticut Transmission Municipal Electric Cooperative

Versant Power

Eversource Energy Transmission Ventures, Inc.

NGV US Transmission Inc.

Hudson Light and Power Department

Maine Electric Power Company

Massachusetts Municipal Wholesale Electric Company

Middleboro Gas & Electric Department

Narragansett Electric Company d/b/a Rhode Island Energy

New England Energy Connection, LLC

New England Power Company

New Hampshire Transmission, LLC

Norwood Municipal Light Department

NSTAR Electric Company

PPL Translink, Inc.

Public Service Company of New Hampshire

SP Transmission, LLC

Taunton Municipal Light Plant

The City of Holyoke Gas and Electric Department

The Connecticut Light and Power Company

Town of Braintree Electric Light Department

Transource New England, LLC

United Illuminating Company

Vermont Transco, LLC

III.13. Forward Capacity Market.

The ISO shall administer a forward market for capacity (“Forward Capacity Market”) in accordance with the provisions of this Section III.13. For each one-year period from June 1 through May 31, starting with the period June 1, 2010 to May 31, 2011, for which Capacity Supply Obligations are assumed and payments are made in the Forward Capacity Market (“Capacity Commitment Period”), the ISO shall conduct a Forward Capacity Auction in accordance with the provisions of Section III.13.2 to procure the amount of capacity needed in the New England Control Area and in each modeled Capacity Zone during the Capacity Commitment Period, as determined in accordance with the provisions of Section III.12. To be eligible to assume a Capacity Supply Obligation for a Capacity Commitment Period through the Forward Capacity Auction, a resource must be accepted in the Forward Capacity Auction qualification process in accordance with the provisions of Section III.13.1.

III.13.A Forward Capacity Market Interim Provisions.

III.13.A.1 Interim Forward Capacity Auction Schedules.

Notwithstanding any other any dates, date ranges and/or deadlines for activities related to the Forward Capacity Auction established in or pursuant to any provision of the ISO New England Operating Documents, for the nineteenth through thirty-seventh Forward Capacity Auctions (associated with the 2028-2029 through 2046-2047 Capacity Commitment Periods, respectively), the following provisions apply.

III.13.A.1.1 Nineteenth Forward Capacity Auction Delayed

For the nineteenth Forward Capacity Auction (associated with the 2028-2029 Capacity Commitment Period), the dates, date ranges and/or deadlines for activities related to the Forward Capacity Auction established in or pursuant to any provision of the ISO New England Operating Documents shall not apply and shall be delayed by three calendar years.

III.13.A.1.2 First Annual Reconfiguration Auction Suspension

For the nineteenth through thirty-sixth Forward Capacity Auctions (associated with the 2028-2029 through 2045-2046 Capacity Commitment Periods, respectively), the first annual reconfiguration auction as specified in Section III.13.4 that is typically held in the month of June, approximately 24 months before the start of the applicable Capacity Commitment Period, shall not be conducted.

III.13.A.1.3 Second Annual Reconfiguration Auction Suspension

For the nineteenth through twenty-seventh Forward Capacity Auctions (associated with the 2028-2029 through 2036-2037 Capacity Commitment Periods, respectively), the second annual reconfiguration auction as specified in Section III.13.4 that is typically held in the month of August, approximately 10 months before the start of the applicable Capacity Commitment Period, shall not be conducted.

III.13.A.1.4 Third Annual Reconfiguration Auction Suspension

For the nineteenth through twenty-first Forward Capacity Auctions (associated with the 2028-2029 through 2030-2031 Capacity Commitment Periods, respectively), the third annual reconfiguration auction as specified in Section III.13.4 that is typically held in the month of March, approximately three months before the start of the applicable Capacity Commitment Period, shall not be conducted.

III.13.A.1.5 Accelerated Qualification Period and Auctions

For the twentieth through thirty-seventh Forward Capacity Auctions (associated with the 2029-2030 through 2046-2047 Capacity Commitment Periods, respectively), the Forward Capacity Auction, and the qualification process for each such auction, shall be conducted under a 10-month timeline in accordance with the key dates set forth in the schedule below. For each Forward Capacity Auction specified in the table below, the ISO shall publish the dates, date ranges and deadlines for activities related to the respective Forward Capacity Auction no later than six months before the applicable notification to Lead Market Participants of their Existing Capacity Resource's summer Qualified Capacity and winter Qualified Capacity values as specified in Section III.13.1.2.3(a).

Capacity Commitment Period	Forward Capacity Auction Date	Revised annual reconfiguration auction Dates (as applicable)
2028-2029	February 2028	No reconfiguration auctions
2029-2030	December 2028	No reconfiguration auctions
2030-2031	October 2029	No reconfiguration auctions
2031-2032	August 2030	Third annual reconfiguration auction March 2031
2032-2033	June 2031	Third annual reconfiguration auction March 2032
2033-2034	April 2030	Third annual reconfiguration auction March 2033
2034-2035	February 2033	Third annual reconfiguration auction March 2034

2035-2036	December 2033	Third annual reconfiguration auction March 2035
2036-2037	October 2034	Third annual reconfiguration auction March 2036
2037-2038	August 2035	Second annual reconfiguration auction August 2036; Third annual reconfiguration auction March 2037
2038-2039	June 2036	Second annual reconfiguration auction August 2037; Third annual reconfiguration auction March 2038
2039-2040	April 2037	Second annual reconfiguration auction August 2038; Third annual reconfiguration auction March 2039
2040-2041	February 2038	Second annual reconfiguration auction August 2039; Third annual reconfiguration auction March 2040
2041-2042	December 2038	Second annual reconfiguration auction August 2040; Third annual reconfiguration auction March 2041
2042-2043	October 2039	Second annual reconfiguration auction August 2041; Third annual reconfiguration auction March 2042
2043-2044	August 2040	Second annual reconfiguration auction August 2042; Third annual reconfiguration auction March 2043
2044-2045	June 2041	Second annual reconfiguration auction August 2043; Third annual reconfiguration auction March 2044
2045-2046	April 2042	Second annual reconfiguration auction August 2044; Third annual reconfiguration auction March 2045
2046-2047	February 2043	Regular annual reconfiguration auction schedule applies

The ISO may adjust any published date, date range and/or deadline for Forward Capacity Auction activities by 10 Business Days if needed, and shall publish a revised date, date range and/or deadline no later than 30 days in advance of such adjustment.

III.13.A.2. Interim Reconfiguration Auction Qualification.

- (a) Notwithstanding any other provision of the ISO New England Operating Documents, a New Capacity Resource that has not already acquired a Capacity Supply Obligation and intends to achieve Commercial Operation as defined in Section III.13.1.1.2.2.2(h) before June 1, ~~2026~~2028, may qualify for the annual reconfiguration auction, monthly reconfiguration auction and bilateral activities described in Section III.13.4 and Section III.13.5 occurring in 2025, 2026, 2027 and

2028 for the 2024-2025 Capacity Commitment Period associated with the fifteenth Forward Capacity Auction, 2025-2026 Capacity Commitment Period associated with the sixteenth Forward Capacity Auction, 2026-2027 Capacity Commitment Period associated with the seventeenth Forward Capacity Auction and 2027-2028 Capacity Commitment Period associated with the eighteenth Forward Capacity Auction as, applicable, under this section providing the following conditions are met:

- (1) The Project Sponsor submits qualification materials as described in Section III.13.1, including a New Capacity Show of Interest Form in April 2024 and a New Capacity Qualification Package in June 2024. The ISO shall post a list of the required materials on its website and a complete schedule for their submittal at least 60 days in advance; and
- (2) The Project Sponsor requests that the ISO monitor the New Capacity Resource's compliance with its critical path schedule as described in Section III.13.3.1.1 by November 1, 2024.

(b) Notwithstanding any other provision of the ISO New England Operating Documents, a New Capacity Resource that has not already acquired a Capacity Supply Obligation, and intends to achieve Commercial Operation as defined in Section III.13.1.1.2.2.2(h) before June 1, 2028, may qualify for the annual reconfiguration auction, monthly reconfiguration auction and bilateral activities described in Section III.13.4 and Section III.13.5 occurring in 2026, 2027, and 2028 for the 2025-2026 Capacity Commitment Period associated with the seventeenth Forward Capacity Auction, and the 2027-2028 Capacity Commitment Period associated with the eighteenth Forward Capacity Auction, as applicable, under this section providing the following conditions are met:

- (1) The Project Sponsor submits qualification materials as described in Section III.13.1, including a New Capacity Show of Interest Form in April 2025 and a New Capacity Qualification Package in June 2025. The ISO shall post a list of the required materials on its website and a complete schedule for their submittal at least 60 days in advance; and
- (2) The Project Sponsor requests that the ISO monitor the New Capacity Resource's compliance with its critical path schedule as described in Section III.13.3.1.1 by the first Business Day occurring in November 2025.

(c) Notwithstanding any other provision of the ISO New England Operating Documents, a New Capacity Resource that has not already acquired a Capacity Supply Obligation and intends to achieve Commercial Operation as defined in Section III.13.1.1.2.2.2(h) before June 1, 2028, may

qualify for the annual reconfiguration auction, monthly reconfiguration auction and bilateral activities described in Section III.13.4 and Section III.13.5 occurring in 2027 and 2028 for the 2026-2027 Capacity Commitment Period associated with the seventeenth Forward Capacity Auction, and the 2027-2028 Capacity Commitment Period associated with the eighteenth Forward Capacity Auction, as applicable, under this section providing the following conditions are met:

- (1) The Project Sponsor submits qualification materials as described in Section III.13.1, including a New Capacity Show of Interest Form in April 2026 and a New Capacity Qualification Package in June 2026. The ISO shall post a list of the required materials on its website and a complete schedule for their submittal at least 60 days in advance; and
- (2) The Project Sponsor requests that the ISO monitor the New Capacity Resource's compliance with its critical path schedule as described in Section III.13.3.1.1 by the first Business Day occurring in November 2026.

III.13.A.3. Interim Provisions Regarding Demand Capacity Resources.

Notwithstanding any other provision of the ISO New England Operating Documents, for the nineteenth Forward Capacity Auction (associated with the 2028-2029 Capacity Commitment Period), a New Demand Capacity Resource is an Active Demand Capacity Resource that has not cleared in a previous Forward Capacity Auction, or an On-Peak Demand Resource consisting of measures that have not been in service prior to June 1, 2024, or a Seasonal Peak Demand Resource consisting of measures that have not been in service prior to June 1, 2024.

III.13.1. Forward Capacity Auction Qualification.

Each resource, or portion thereof, must qualify as a New Generating Capacity Resource (Section III.13.1.1), an Existing Generating Capacity Resource (Section III.13.1.2), a New Import Capacity Resource or Existing Import Capacity Resource (Section III.13.1.3), a New Demand Capacity Resource or Existing Demand Capacity Resource (Section III.13.1.4) or a New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource (Section III.13.1.4A). Each resource must be at least 100 kW in size to participate in the Forward Capacity Auction, except for resources registered with the ISO prior to the earliest date that any portion of this Section III.13 becomes effective. An offer may be composed of separate resources, pursuant to the provisions of Section III.13.1.5. Pursuant to the provisions of this Section III.13.1, the ISO shall determine a summer Qualified Capacity and a winter Qualified Capacity for each resource, and an FCA Qualified Capacity for each Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, Existing Distributed Energy Capacity Resource, New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, and New Distributed Energy Capacity Resource.

All Project Sponsors must be Market Participants no later than 30 days prior to the deadline for submitting the FCM Deposit. The Lead Market Participant for a resource participating in a Forward Capacity Auction may not change in the 15 Business Days prior to, or during, that Forward Capacity Auction.

III.13.1.1. New Generating Capacity Resources.

To participate in a Forward Capacity Auction as a New Generating Capacity Resource, a resource or proposed resource must meet the requirements of this Section III.13.1.1.

III.13.1.1.1. Definition of New Generating Capacity Resource.

A resource or a portion of a resource that is not a New Import Capacity Resource or Existing Import Capacity Resource (as defined in Section III.13.1.3), a New Demand Capacity Resource or Existing Demand Capacity Resource (as defined in Section III.13.1.4), or a New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource (as defined in Section III.13.1.4A) shall be considered a New Generating Capacity Resource for participation in a Forward Capacity Auction if either: (i) the resource has never previously been counted as a capacity resource as described in Section III.13.1.1.1.1; or (ii) the resource, or a portion thereof, meets one of the criteria in Section III.13.1.1.1.2.

III.13.1.1.1. Resources Never Previously Counted as Capacity.

(a) A resource, or a portion thereof, will be considered to have never been counted as a capacity resource if it has not cleared in any previous Forward Capacity Auction.

(b) [Reserved.]

(c) Where a New Generating Capacity Resource was accepted for participation in the qualification process for a previous Forward Capacity Auction, but cleared less than its summer Qualified Capacity in that previous Forward Capacity Auction and is having its critical path schedule monitored by the ISO in accordance with Section III.13.3, the portion of the resource that did not clear in the previous Forward Capacity Auction shall be a New Generating Capacity Resource in the subsequent Forward Capacity Auction. Such a New Generating Capacity Resource must satisfy all of the qualification process requirements applicable to a New Generating Capacity Resource as described in Section III.13.1.1.2, except that the Project Sponsor is not required to resubmit documentation demonstrating site control (Section III.13.1.1.2.2.1) or to resubmit a critical path schedule (Section III.13.1.1.2.2.2) or to provide a new Qualification Process Cost Reimbursement Deposit (Section III.13.1.1.2.1(e)).

III.13.1.1.2. Resources Previously Counted as Capacity.

A resource that has previously been counted as a capacity resource, including a deactivated or retired capacity resource, may elect to participate in the Forward Capacity Auction as a New Generating Capacity Resource, as described in this Section III.13.1.1.2. The incremental expenditure required to reactivate a resource that previously has been deactivated or retired pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions) may be included in the calculation of the dollar per kilowatt thresholds in this Section III.13.1.1.2. A resource accepted for participation in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to this Section III.13.1.1.2 shall participate in the Forward Capacity Auction pursuant to Section III.13.2.3.2(e). A Market Participant that elects to have a resource that has previously been counted as a capacity resource participate in the Forward Capacity Auction as a New Generating Capacity Resource, must notify the ISO when the existing resource ceases to operate and the New Generating Capacity Resource commences operation. If a Market Participant with a resource that has previously been counted as a capacity resource elects, pursuant to Section III.13.3.4(a)(iii), to have the resource that has previously been counted as a capacity resource cover the Capacity Supply Obligation of a New Generating Capacity Resource and the resource that has previously been counted as a capacity resource must take an outage in order for the New Generating Capacity Resource to commence Commercial Operation (as defined in

Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff), then the Market Participant must notify the ISO that the outage is for the purpose of the New Generating Capacity Resource commencing Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff). A resource shall be accepted for participation as a new resource if it complies with one of the following three subsections:

- (a) Where investment in the resource will result, by the commencement of the Capacity Commitment Period, in an increase in output by an amount exceeding the greater of: (i) 20 percent of the summer Qualified Capacity of the resource at the time of the qualification process for the Forward Capacity Auction; or (ii) 40 MW above the summer Qualified Capacity of the resource at the time of the qualification process for the Forward Capacity Auction, the whole resource shall participate in the Forward Capacity Auction as a New Generating Capacity Resource; or
- (b) Where investment in the resource subsequent to January 1, 2007 and prior to the conclusion of the first Capacity Commitment Period associated with the Capacity Supply Obligation for which treatment as a new resource may be applied, for the purposes of re-powering will be equal to or greater than \$200 per kilowatt of the whole resource's summer Qualified Capacity after re-powering, the owner of the resource may elect that the whole resource participate in the Forward Capacity Auction as a New Generating Capacity Resource. The \$200 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction; or
- (c) Where investment in the resource subsequent to January 1, 2007 and prior to the conclusion of the first Capacity Commitment Period associated with the Capacity Supply Obligation for which treatment as a new resource may be applied, for the purpose of compliance with environmental regulations or permits will be equal to or greater than \$100 per kilowatt of the whole resource's summer Qualified Capacity after the investment, the owner of the resource may elect that the whole resource participate in the Forward Capacity Auction as a New Generating Capacity Resource. The \$100 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction.

III.13.1.1.1.3. Incremental Capacity of Resources Previously Counted as Capacity.

The owner of a resource previously counted as a capacity resource may elect to have the incremental amount of capacity above the summer Qualified Capacity of the resource at the time of the qualification process participate in the Forward Capacity Auction as a New Generating Capacity Resource, where investment in the resource:

(a) will result, by the start of the Capacity Commitment Period, in an increase in output less than or equal to the greater of: (i) 20 percent of the summer Qualified Capacity of the resource at the time of the qualification process for the Forward Capacity Auction; or (ii) 40 MW; and

(b) will be equal to or greater than \$200 per kilowatt of the amount of the increase in summer Qualified Capacity resulting from the investment. The \$200 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction. These investment costs may include the costs associated with reactivating a resource that was previously deactivated pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions) and in which investment in the resource was undertaken prior to reactivation.

(c) A Project Sponsor or Lead Market Participant making an election pursuant to this Section III.13.1.1.3 must submit a New Capacity Show of Interest Form pursuant to Section III.13.1.1.2.1 and a New Capacity Qualification Package pursuant to Section III.13.1.1.2 for the incremental amount.

III.13.1.1.3.A. Treatment of New Incremental Capacity and Existing Generating Capacity at the Same Generating Resource.

For incremental summer capacity seeking to participate in the Forward Capacity Auction pursuant to Section III.13.1.1.3 or incremental winter capacity that meets the investment thresholds in Section III.13.1.1.3 as applied to the resource's winter Qualified Capacity, if the incremental summer or winter capacity does not span the entire Capacity Commitment Period, then the ISO shall match the incremental summer or winter capacity with excess existing winter or summer Qualified Capacity at that same resource, as appropriate, not to exceed the Qualified Capacity of the existing portion of the resource, in order to cover the entire Capacity Commitment Period. This provision shall not apply to Intermittent Power Resources.

III.13.1.1.4. De-rated Capacity of Resources Previously Counted as Capacity.

For purposes of the Forward Capacity Market, de-rated capacity of a resource shall be measured by the difference between the summer Qualified Capacity prior to the de-rating of the resource and the most recent summer demonstration of Seasonal Claimed Capability of a resource, as of the fifth Business Day of October. The owner of a resource previously counted as a capacity resource that has been de-rated by at least 2 percent of its summer Qualified Capacity (as an Existing Generating Capacity Resource) but by no more than the lesser of 20 percent of its summer Qualified Capacity (as an Existing Generating Capacity Resource) or 40 MW for three or more years at the time of the Forward Capacity Auction may elect to have the incremental amount of capacity above the capacity level established while de-rated treated as a New Generating Capacity Resource if it demonstrates that it will be reestablished prior to the start of the Capacity Commitment Period and that the investment in the resource for such purposes shall be equal to or greater than \$200 per kilowatt of the amount of the increase in summer Qualified Capacity resulting from the investment. The Project Sponsor must submit a New Capacity Show of Interest Form pursuant to Section III.13.1.1.2.1 and a New Capacity Qualification Package pursuant to Section III.13.1.1.2.2 for the incremental amount of capacity for the relevant Forward Capacity Auction. The \$200 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction. The owner of a resource seeking to have the incremental amount of capacity counted as a New Generating Capacity Resource as provided in this Section, must demonstrate based on historical data that the resource previously operated at a level at least 2 percent above the de-rated amount.

III.13.1.1.1.5. Treatment of Resources that are Partially New and Partially Existing.

For purposes of this Section III.13.1, where only a portion of a single resource is treated as a New Generating Capacity Resource, either as a result of partial clearing in a previous Forward Capacity Auction or pursuant to Section III.13.1.1.1.3 or Section III.13.1.1.1.4, then except as otherwise indicated in this Section III.13.1, that portion of the resource shall be treated as a New Generating Capacity Resource, and the remainder of the resource shall be treated as an Existing Generating Capacity Resource.

III.13.1.1.1.6. Treatment of Deactivated and Retired Units.

(a) [Reserved.]

(b) A resource that previously has been deactivated or retired pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions), as applicable, that submits to

the ISO a reactivation plan demonstrating that the resource shall return to operation shall, subject to ISO review and acceptance of that reactivation plan, be treated as an Existing Generating Capacity Resource unless that resource satisfies the criteria under Section III.13.1.1.1.2 as a New Generating Capacity Resource. Such reactivation plans must be received by the ISO no later than 10 Business Days before the Existing Capacity Retirement Deadline. A resource that previously has been deactivated or retired pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions), as applicable, that submits to the ISO a reactivation plan demonstrating that the resource shall return to operation and having a material modification as described in Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions), as applicable, shall be subject to Section III.13.1.1.2.3 ([Interconnection Review](#)~~Initial Interconnection Analysis~~).

III.13.1.1.1.7 Renewable Technology Resources.

To participate in the Forward Capacity Market as a Renewable Technology Resource, a Generating Capacity Resource or an On-Peak Demand Resource (including every Asset that is part of the On-Peak Demand Resource) must satisfy the following requirements:

- (a) qualify as a Sponsored Policy Resource;;
- (b) participate in a Forward Capacity Auction for a Capacity Commitment Period beginning on or after June 1, 2026 as a New Generating Capacity Resource or New Demand Capacity Resource pursuant to Section III.13.1.1, and;
- (c) has been designated for treatment as a Renewable Technology Resource pursuant to Section III.13.1.1.2.9.

An Export Bid or Administrative Export De-List Bid may not be submitted for Generating Capacity Resources that assumed a Capacity Supply Obligation by participating in a Forward Capacity Auction as a Renewable Technology Resource.

III.13.1.1.2. Qualification Process for New Generating Capacity Resources.

For a resource to qualify as a New Generating Capacity Resource, the resource's Project Sponsor must make two separate submissions to the ISO: First, the Project Sponsor must submit a New Capacity Show of Interest Form during the New Capacity Show of Interest Submission Window. Second, the Project Sponsor must submit a New Capacity Qualification Package no later than the New Capacity Qualification

Deadline. Each of these submissions is described in more detail in this Section III.13.1.1.2. The Project Sponsor must also have, or in the case of an Import Capacity Resource seeking to qualify with an Elective Transmission Upgrade be associated with, a valid Interconnection Request [or Interconnection Agreement](#) under Schedules 22, 23 or 25 of Section II of the Transmission, Markets and Services Tariff [or interconnection request or agreement under applicable state tariff, rules or procedures](#) prior to submitting a New Capacity Show of Interest Form during the New Capacity Show of Interest Submission Window. Both the New Capacity Show of Interest Form and the New Capacity Qualification Package are required regardless of the status of the project under the [Interconnection Procedures described in Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff or applicable state tariff, rules or procedures](#). Neither the New Capacity Show of Interest Form nor the New Capacity Qualification Package constitutes an [Interconnection Request to interconnect under the Interconnection Procedures or applicable state tariff, rules or procedures](#). A Project Sponsor may withdraw from the qualification process at any time prior to three Business Days before the submission of the FCM Deposit pursuant to Section III.13.1.9.1 by providing written notification of such withdrawal to the ISO. Any withdrawal, whether pursuant to this provision or as determined by the ISO (for example as described in Section III.13.1.1.2.1 or Section III.13.1.9.3), shall be irrevocable. The Project Sponsor of a withdrawn application is subject to reconciliation of its Qualification Process Cost Reimbursement Deposit described in Section III.13.1.9.3. None of the provisions of this Section III.13.1, including the [initial interconnection review analysis and the analysis of overlapping interconnection impacts](#), supersedes, replaces, or satisfies any of the requirements of Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff, except as specifically provided thereunder. Determinations by the ISO pursuant to this Section III.13.1.1.2, including the [initial interconnection review analysis and the analysis of overlapping interconnection impacts](#), are for purposes of qualification for participation in the Forward Capacity Auction only, and do not constitute a right or approval to interconnect, and do not guarantee the ability to interconnect.

III.13.1.1.2.1. New Capacity Show of Interest Form.

Except as otherwise provided in this Section III.13.1.1.2.1, for each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource, the Project Sponsor must submit to the ISO a New Capacity Show of Interest Form as described in this Section III.13.1.1.2.1 during the New Capacity Show of Interest Submission Window. After submission of a New Capacity Show of Interest Form, Material Modification (as defined in Section 4.4 of Schedule 22, Section ~~4.54.4~~ of Schedule 23, or Section 4.4 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff) may not be made to the information contained therein or the New Capacity Show of Interest Form

shall be considered withdrawn. No change that may result in a reduction in capacity [requested for participation in a Forward Capacity Auction](#) may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between the date that is ~~143~~¹⁵⁰ days before the start of the Forward Capacity Auction and the deadline for qualification determination notifications described in Section III.13.1.1.2.8. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) no change that may result in a reduction in capacity may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between September 23, 2023 and the deadline for qualification determination notifications described in Section III.13.1.1.2.8 for the eighteenth Forward Capacity Auction.

(a) A completed New Capacity Show of Interest Form shall include the following information, to the extent the information is not already provided under an active Interconnection Request under Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff, and other such information necessary to evaluate a project: the project name; the Project Sponsor's contact information; the Project Sponsor's ISO customer status; the date by which the project is expected to achieve Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff); the project address or location, and if relevant, asset identification number; the status of the project under the interconnection procedures described in Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff; whether the resource has ever previously had a Capacity Supply Obligation or previously received payment as a capacity resource pursuant to the market rules in effect prior to June 1, 2010; the capacity (in MW) of the New Generating Capacity Resource; a general description of the project's equipment configuration, including a description of the resource technology type; a simple location plan and a one-line diagram of the plant and station facilities, including any known transmission facilities; the location of the proposed interconnection; and other specific project data as set forth in the New Capacity Show of Interest Form. The ISO may waive the submission of any information not required for evaluation of a project. A completed New Capacity Show of Interest Form shall also specify the Queue Position [or other unique project identifier](#) associated with the project pursuant to Section 4.1 of Schedule 22, Section ~~4.14~~⁵ of Schedule 23 or Section 4.1 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff, [or applicable state tariff, rules or procedures](#). In the case of a resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource that is supported by an Internal Elective Transmission Upgrade, all Queue Positions [or other unique project identifiers associated with the Internal Elective Transmission Upgrade associated with the project](#) must be submitted in the New Capacity Show of Interest Form. ~~Submittal of the Interconnection Request may take place prior to the qualification process described here, but no later than~~

~~the date on which the New Capacity Show of Interest Form is submitted to the ISO; however, t~~The Interconnection Customer-Interconnection Request or Interconnection Agreement, or equivalent required under applicable state tariff, rules or procedures, must ~~still~~ be active and consistent with the project described in the New Capacity Show of Interest Form as well as the New Capacity Qualification Package to be submitted as described in Section III.13.1.1.2.2.

(b) The Project Sponsor must submit with the New Capacity Show of Interest Form, documentation demonstrating that the Project Sponsor has already achieved control of the project site for the duration of the relevant Capacity Commitment Period pursuant to Section III.13.1.1.2.2.1.

(c) In the New Capacity Show of Interest Form, the Project Sponsor must indicate if the New Generating Capacity Resource is incremental capacity associated with a resource that previously had a Capacity Supply Obligation or previously received payment as a capacity resource pursuant to the market rules in effect prior to June 1, 2010 as discussed in Section III.13.1.1.1.3, or if the New Generating Capacity Resource is incremental capacity associated with a resource previously listed as a capacity resource that has been de-rated for three or more years at the time of the Forward Capacity Auction, as discussed in Section III.13.1.1.1.4.

(d) [Reserved.]

(e) With the New Capacity Show of Interest Form, the Project Sponsor must submit the Qualification Process Cost Reimbursement Deposit, as described in Section III.13.1.9.3.

III.13.1.1.2.2. New Capacity Qualification Package.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource, the Project Sponsor must submit a New Capacity Qualification Package no later than the New Capacity Qualification Deadline, described in Section III.13.1.10. Except as otherwise provided in this Section III.13.1, the New Capacity Qualification Package shall conform to the requirements of this Section III.13.1.1.2.2. The ISO may waive the submission of any information not required for evaluation of a project. No change that may result in a reduction in capacity may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between the date that is 150 days before the start of the Forward Capacity Auction and the deadline for qualification determination notifications described in Section III.13.1.1.2.8. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) no change that may

result in a reduction in capacity may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between September 23, 2023 and the deadline for qualification determination notifications described in Section III.13.1.1.2.8 for the eighteenth Forward Capacity Auction.

III.13.1.1.2.2.1. Site Control.

For all Forward Capacity Auctions and reconfiguration auctions, the Project Sponsor must achieve, prior to the close of the New Capacity Show of Interest Submission Window, control of the project site for the duration of the relevant Capacity Commitment Period, which shall be as defined in Section 4.1 of Schedule 22, Section ~~4.54.1~~ of Schedule 23 or Section 4.1 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff.

III.13.1.1.2.2.2. Critical Path Schedule.

In the New Capacity Qualification Package, the Project Sponsor must provide a critical path schedule for the project with sufficient detail to allow the ISO to evaluate the feasibility of the project being built and the feasibility that the project will meet the requirement that the project achieve all its critical path schedule milestones no later than the start of the relevant Capacity Commitment Period. The critical path schedule shall include, at a minimum, the dates on which the following milestones have or are expected to occur:

- (a) **Major Permits.** In the New Capacity Qualification Package, the Project Sponsor must list all major permits required for the project, and for each major permit, the Project Sponsor must list the agency requiring the permit, the date on which application for the permit is expected to be made, and the expected date of approval. Major permits shall include, but are not limited to: (i) all federal and state permits; and (ii) local, regional, and town permits. The permitting and installation process associated with any major ancillary infrastructure (such as new gas pipelines, new water supply systems, or large storage tanks) should be included in this portion of the New Capacity Qualification Package.
- (b) **Project Financing Closing.** In the New Capacity Qualification Package, the Project Sponsor shall provide (i) the estimated dollar amount of required project financing; (ii) the expected sources of that financing; and (iii) the expected closing date(s) for the project financing.
- (c) **Major Equipment Orders.** In the New Capacity Qualification Package, the Project Sponsor must provide a list of all of the major components necessary for the project, and the date or dates on

which all major components necessary for the project have been or are expected to be ordered. Although the specific technology will determine the list of major components to be included, the list shall include, to the extent applicable: (i) electric generators which may include equipment such as fuel cells or solar photovoltaic equipment; (ii) turbines; (iii) step-up transformers; (iv) relay panels (v) distributed control systems; and (vi) any other single piece of equipment or system such as a cooling water system, steam generation, steam handling system, water treatment system, fuel handling system or emissions control system that is not included as a sub-component of other equipment listed in this Section III.13.1.1.2.2.2(c) and that accounts for more than five percent of the total project cost. For an Import Capacity Resource associated with an Elective Transmission Upgrade that has not yet achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, major components shall also include, to the extent applicable, transmission facilities and associated substation equipment.

(d) **Substantial Site Construction.** In the New Capacity Qualification Package, the Project Sponsor must provide the approximate date on which the amount of money expended on construction activities occurring on the project site is expected to exceed 20 percent of construction financing costs.

(e) **Major Equipment Delivery.** In the New Capacity Qualification Package, the Project Sponsor must provide the dates on which the major equipment described in subsection (d) above has been or is scheduled to be delivered to the project site.

(f) **Major Equipment Testing.** In the New Capacity Qualification Package, the Project Sponsor must provide the date or dates on which each piece of major equipment described in subsection (c) above is scheduled to undergo testing, including major systems testing, as appropriate for the specific technology to establish its suitability to allow, in conjunction with other major equipment, subsequent operation of the project in accordance with the design capacity of the resource and in accordance with Good Utility Practice. The test(s) shall include those conducted at the point at which the operation of the major equipment will be determined to be in compliance with the requirements of the engineering or purchase specifications.

(g) **Commissioning.** In the New Capacity Qualification Package, the Project Sponsor must provide the date on which the project is expected to have demonstrated the level of performance specified in the New Capacity Show of Interest Form and in the New Capacity Qualification Package.

(h) **Commercial Operation.** In the New Capacity Qualification Package, the Project Sponsor must provide the date by which the project is expected to achieve Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) and/or the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the New Demand Capacity Resource Qualification Package, or Distributed Energy Capacity Resources that include Demand Response Resources and/or Demand Response Distributed Energy Resource Aggregations as described in the New Distributed Energy Capacity Resource Qualification Package, has achieved its full demand reduction value. This date must be no later than the start of the Capacity Commitment Period associated with the Forward Capacity Auction.

III.13.1.1.2.2.3. Offer Information.

(a) For a New Generating Capacity Resource that does not satisfy the conditions described in Section III.A.21.1.1 based on the information submitted at the time of the New Capacity Qualification Package, and for which the Project Sponsor does not provide a Load-Side Relationship Certification described in Section III.A.21.1.3, the Project Sponsor must include in the New Capacity Qualification Package the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and sufficient documentation and information for a buyer-side market power review pursuant to Section III.A.21.2. Such documentation and information includes all financial estimates, projected revenues, and cost projections for the project, including the project's pro-forma financing support data and anticipated out-of-market revenues (as defined in Section III.A.21.3(b)(i)). For a New Generating Capacity Resource that has achieved commercial operation prior to the New Capacity Qualification Deadline, such documentation should also include all financial data of actual incurred capital costs, actual operating costs, and actual revenues since the date of commercial operation.

A Project Sponsor that submits a Load-Side Relationship Certification as part of the New Capacity Qualification Package pursuant to Section III.13.1.1.2.2.7 must be prepared to provide both (1) the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and (2) the documentation and information described in this subsection (a), in the event that the ISO determines that the Load-Side Relationship Certification does not meet the requirements of Section III.A.21.1.3.

(b) The Project Sponsor for a New Generating Capacity Resource must indicate in the New Capacity Qualification Package if an offer from the New Generating Capacity Resource may be rationed. A Project Sponsor may specify a Rationing Minimum Limit to which offers may be rationed. Without such

indication, offers will only be accepted or rejected in whole. This rationing election shall apply for the entire Forward Capacity Auction.

(c) By submitting a New Capacity Qualification Package, the Project Sponsor certifies that an offer from the New Generating Capacity Resource will not include any anticipated revenues the resource is expected to receive for its capacity cost as a Qualified Generator Reactive Resource pursuant to Schedule 2 of Section II of the Transmission, Markets and Services Tariff.

III.13.1.1.2.2.4. Capacity Commitment Period Election.

Project Sponsors shall be required to specify whether they are making the election set forth in this Section III.13.1.1.2.2.4 for each Forward Capacity Auction up to and including the auction held in February 2021 for the June 1, 2024 through May 31, 2025 Capacity Commitment Period, and no election shall be permitted thereafter.

For each Forward Capacity Auction occurring up to and including the February 2021 auction, in the New Capacity Qualification Package, the Project Sponsor must specify whether, if its New Capacity Offer clears in the Forward Capacity Auction, the associated Capacity Supply Obligation and Capacity Clearing Price (indexed for inflation) shall continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, for up to six additional and consecutive Capacity Commitment Periods, in whole Capacity Commitment Period increments only. For incremental capacity qualified pursuant to Section III.13.1.1.3.A, this election shall apply to both the incremental amount of capacity and the existing Qualified Capacity matched to the incremental capacity at the same generating resource. If no such election is made in the New Capacity Qualification Package, the Capacity Supply Obligation and Capacity Clearing Price associated with the New Capacity Offer shall apply only for the Capacity Commitment Period associated with the Forward Capacity Auction in which the New Capacity Offer clears. If a New Capacity Offer clears in the Forward Capacity Auction, the capacity associated with the resulting Capacity Supply Obligation may not be subject to any type of de-list or export bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply pursuant to this Section III.13.1.1.2.2.4.

III.13.1.1.2.2.5. Additional Requirements for Resources Previously Counted As Capacity.

In addition to the information described elsewhere in this Section III.13.1.1.2.2:

(a) For each resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2 (re-powering), Section III.13.1.1.1.3 (incremental capacity), or Section III.13.1.1.1.4 (de-rated capacity), the Project Sponsor must include in the New Capacity Qualification Package documentation of the costs associated with the project in sufficient detail to allow the ISO to determine that the relevant cost threshold (described in Sections III.13.1.1.1.2(b), III.13.1.1.1.3(b), and III.13.1.1.1.4) will be met.

(b) For each resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2(c) (environmental compliance), the Project Sponsor must include in the New Capacity Qualification Package: (i) a detailed description of the specific regulations that it is seeking to comply with and the permits that it must obtain; and (ii) documentation of the costs associated with the project in sufficient detail to allow the ISO to determine that the relevant cost threshold (described in Section III.13.1.1.1.2(c)) will be met.

(c) For each resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Sections III.13.1.1.1.2, III.13.1.1.1.3, or III.13.1.1.1.4, the Project Sponsor must include in the New Capacity Qualification Package detailed information showing how and when the resource will shed its Capacity Supply Obligation to accommodate necessary work on the facility, if necessary. The Project Sponsor must also include the shedding of its Capacity Supply Obligation as an additional milestone in the critical path schedule described in Section III.13.1.1.2.2.2.

III.13.1.1.2.2.6. Additional Requirements for New Generating Capacity Resources that are Intermittent Power Resources.

In addition to the information described elsewhere in this Section III.13.1.1.2.2, for each Intermittent Power Resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource, the Project Sponsor must include in the New Capacity Qualification Package:

- (a) a claimed summer Qualified Capacity and a claimed winter Qualified Capacity based on the data described in Section III.13.1.1.2.2.6(b);
- (b) measured and recorded site-specific summer and winter data relevant to the expected performance of the Intermittent Power Resource (including wind speed data for wind resources, water flow data for run-of-river hydropower resources, and irradiance data for solar resources) that, with the

other information provided in the New Capacity Qualification Package, will enable the ISO to confirm the summer and winter Qualified Capacity that the Project Sponsor claims for the Intermittent Power Resource.

III.13.1.1.2.2.7. Load-Side Interests.

If the Project Sponsor seeks to demonstrate one of the qualifying circumstances described in Section III.A.21.1.3 with regard to its New Generating Capacity Resource, the Project Sponsor must provide the Load-Side Relationship Certification in the New Capacity Qualification Package.

III.13.1.1.2.3. Interconnection Review.

Each New Generating Capacity Resource shall be required to undergo an interconnection review as part of a Forward Capacity Auction qualification process.

(a) The interconnection review for New Generating Capacity Resources associated with a project subject to Schedules 22 and 23 of Section II of the Tariff shall be in the form of a deliverability review, which examines applicable interconnection Transitional Cluster Study or Cluster Study status, results and identified upgrades to determine the extent to which the applicable project and required interconnection facilities and upgrades can be implemented before the start of the Capacity Commitment Period.

(i) If as a result of the interconnection review, the ISO determines that the interconnection facilities and upgrades necessary to enable the New Generating Capacity Resource to provide the entire amount of capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package can not be implemented before the start of the Capacity Commitment Period, the New Generating Capacity Resource's Qualified Capacity values may be adjusted accordingly, as described in Section III.13.1.1.2.5.

(ii) If as a result of the interconnection review, the ISO determines that the interconnection facilities and upgrades necessary to enable the New Generating Capacity Resource to provide capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package can not be implemented before the start of the Capacity Commitment Period and the New Generating Capacity Resource can not provide any capacity without those facilities and upgrades, the resource shall not be accepted for participation in the Forward Capacity Auction.

In this case, the ISO will provide an explanation of its determination in the qualification determination notification discussed in Section III.13.1.1.2.8.

(iii) Where, as a result of the interconnection review, the ISO concludes, after consultation with the Project Sponsor and the applicable Transmission Owner(s) or Elective Transmission Upgrade Interconnection Customer, as appropriate, that the capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package can not be interconnected by the commencement of the Capacity Commitment Period, the Forward Capacity Market qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

(b) The interconnection review for New Generating Capacity Resources associated with a project not subject to the Schedules 22, 23 and 25 of the ISO-NE Tariff shall be in the form of a deliverability analysis. The ISO shall perform the deliverability analysis based on the information provided in the Show of Interest Form and New Capacity Qualification Package to determine the amount of capacity that the resource could provide by the start of the associated Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that a New Generating Capacity Resource that is otherwise accepted for participation in the Forward Capacity Auction in accordance with the other provisions and requirements of this Section III.13.1 can not deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then that New Generating Capacity Resource will not be accepted for participation in the Forward Capacity Auction.

III.13.1.1.2.3. Initial Interconnection Analysis.

(a) For each New Generating Capacity Resource, the ISO shall perform an initial interconnection analysis, including an analysis of overlapping interconnection impacts, based on the information provided in the New Capacity Show of Interest Form and shall determine the amount of capacity that the resource could provide by the start of the associated Capacity Commitment Period. The initial interconnection analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures, and will include, but will not be limited to, a power flow analysis and a short circuit analysis. No initial interconnection analysis is required where the total requested Qualified Capacity of a New Generating Capacity Resource pursuant to Sections III.13.1.1.1.2, III.13.1.1.1.3, III.13.1.1.1.4, or III.13.1.1.1.6 can be realized without a Material Modification (as defined in Section 4.4 of Schedule 22, Section 1.5 of Schedule 23 and Section 4.4 of Schedule 25 of Section II of the Transmission, Markets and

~~Services Tariff). The ISO will perform the initial interconnection analysis in the form of a group study that will (i) include all the projects that have submitted a New Capacity Show of Interest Form to participate in the same Capacity Commitment Period (as described in Section 4.1 of Schedule 22 and Section 1.5 of Schedule 23 of Section II of the Transmission, Markets and Services Tariff) and (ii) exclude any existing capacity that will be retired as of the start of the same Capacity Commitment Period. Participation in an initial interconnection analysis is a requirement for obtaining Capacity Network Resource Interconnection Service or Capacity Network Import Interconnection Service in a manner that meets the Capacity Capability Interconnection Standard in accordance with the provisions in Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff.~~

~~(b) — If as a result of the initial interconnection analysis, the ISO determines that the interconnection facilities and upgrades identified in the qualification process that are necessary to enable the New Generating Capacity Resource to provide the entire amount of capacity indicated in the New Capacity Show of Interest Form can not be implemented before the start of the Capacity Commitment Period, the New Generating Capacity Resource's Qualified Capacity values may be adjusted accordingly, as described in Section III.13.1.1.2.5.~~

~~(c) — If as a result of the initial interconnection analysis, the ISO determines that the interconnection facilities and upgrades identified in the qualification process that are necessary to enable the New Generating Capacity Resource to provide capacity indicated in the New Capacity Show of Interest Form can not be implemented before the start of the Capacity Commitment Period and the New Generating Capacity Resource can not provide any capacity without those facilities and upgrades, the resource shall not be accepted for participation in the Forward Capacity Auction. In this case, the ISO will provide an explanation of its determination in the qualification determination notification, discussed in Section III.13.1.1.2.8.~~

~~(d) — If as a result of the initial interconnection analysis, the ISO determines that the New Generating Capacity Resource can provide all or some of the capacity indicated in the New Capacity Show of Interest Form by the start of the Capacity Commitment Period, and if the New Generating Capacity Resource is accepted for participation in the Forward Capacity Auction in accordance with the other provisions and requirements of this Section III.13.1, then in the qualification determination notification, discussed in Section III.13.1.1.2.8, the ISO, after consultation with the applicable Transmission Owner(s) or Elective Transmission Upgrade Interconnection Customer as appropriate, shall include a list of the facilities that~~

~~may be required to complete the interconnection and time required to construct those facilities by the start of the associated Capacity Commitment Period.~~

~~(e) — Where, as a result of the initial interconnection analysis, the ISO concludes, after consultation with the Project Sponsor and the applicable Transmission Owner(s) or Elective Transmission Upgrade Interconnection Customer, as appropriate, that the capacity indicated in the New Capacity Show of Interest Form can not be interconnected by the commencement of the Capacity Commitment Period, the Forward Capacity Market qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.~~

~~(f) — Where, as a result of the initial interconnection analysis, the ISO determines that because of overlapping interconnection impacts, New Generating Capacity Resources that are otherwise accepted for participation in the Forward Capacity Auction in accordance with the other provisions and requirements of this Section III.13.1 cannot provide the full amount of capacity that they each would otherwise be able to provide (in the absence of the other relevant Existing Generating Capacity Resources and New Generating Capacity Resources seeking to qualify for the Forward Capacity Auction), those New Generating Capacity Resources will be accepted for participation in the Forward Capacity Auction on the basis of their Queue Position, as described in Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff, with priority given to resources that entered the queue earlier. Resources with lower priority in the queue may be accepted partially. Starting with the fourth auction, a New Generating Capacity Resource that meets the requirements of this Section III.13.1, but that would not be accepted for participation in the Forward Capacity Auction as a result of overlapping interconnection impacts with another resource having a higher priority in the queue may be accepted for participation in the Forward Capacity Auction as a Conditional Qualified New Resource, as described in Section III.13.2.3.2(f), provided that the resource having a higher priority in the queue is not a resource offering capacity into the Forward Capacity Auction pursuant to Section III.13.2.3.2(e).~~

III.13.1.1.2.3A. Interconnection Review for an Interim Reconfiguration Auction Qualification Process Completed prior to January 1, 2025 Pursuant to Section III.13.A.2.

(a) For an interim reconfiguration auction qualification process completed prior to January 1, 2025 pursuant to Section III.13.A.2, for each New Generating Capacity Resource, the ISO shall perform an interconnection review in the form of an initial interconnection analysis, including an analysis of overlapping interconnection impacts, based on the information provided in the New Capacity Show of

Interest Form and New Capacity Qualification Package, and shall determine the amount of capacity that the resource can deliver by the start of the 2028-2029 Capacity Commitment Period. The initial interconnection analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures, and will include, but will not be limited to, a power flow analysis and a short circuit analysis. The ISO will perform the initial interconnection analysis in the form of a Transitional CNR Group Study that will (i) include all the projects that have submitted a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process on the basis of their Queue Position assigned as of May 1, 2024, pursuant to Section 4.1 of Schedule 22, Section 4.1 of Schedule 23, and Section 4.1 of Schedule 25 of Section II of the Tariff, and (ii) exclude any existing capacity that will be retired as of the start of the same Capacity Commitment Period. For an interim reconfiguration auction qualification process completed prior to January 1, 2025 pursuant to Section III.13.A.2, participation in an initial interconnection analysis performed in a Transitional CNR Group Study is a requirement for obtaining Capacity Network Resource Interconnection Service or Capacity Network Import Interconnection Service in a manner that meets the Capacity Capability Interconnection Standard in accordance with the provisions in Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff.

(b) If, as a result of the initial interconnection analysis, the ISO determines that interconnection facilities and upgrades are necessary to enable the New Generating Capacity Resource to provide the entire amount of capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package, but accounting for any reduction in requested capacity pursuant to Section III.13.1.1.2.1, the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

III.13.1.1.2.3B. Interconnection Review for an Interim Reconfiguration Auction Qualification Process Completed after January 1, 2025 Pursuant to Section III.13.A.2.

Each New Generating Capacity Resource shall be required to undergo an interconnection review as part of an interim reconfiguration auction qualification process completed after January 1, 2025 pursuant to Section III.13.A.2.

(a) The interconnection review for New Generating Capacity Resources associated with a project subject to Schedules 22, 23 and 25 of Section II of the Tariff shall be in the form of a deliverability review, which examines applicable interconnection Transitional Cluster Study or Cluster Study status,

results and identified upgrades to determine the extent to which the applicable project and required interconnection facilities and upgrades can be implemented before the start of the 2028-2029 Capacity Commitment Period.

If as a result of the interconnection review, the ISO determines that interconnection facilities and upgrades identified through a Transitional Cluster Study or Cluster Study necessary to enable the New Generating Capacity Resource to provide the entire amount of capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package, but accounting for any reduction in requested capacity pursuant to Section III.13.1.1.2.1, can not be implemented before the start of the 2028-2029 Capacity Commitment Period, the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

(b) The interconnection review for New Generating Capacity Resources associated with a project not subject to the Schedules 22, 23 and 25 of Section II of the Tariff shall be in the form of a deliverability analysis. The ISO shall perform the deliverability analysis based on the information provided in the Show of Interest Form and New Capacity Qualification Package to determine the amount of capacity that the resource could provide by the start of the 2028-2029 Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that a New Generating Capacity Resource can not deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

III.13.1.1.2.4. Evaluation of New Capacity Qualification Package.

The ISO shall review a New Generating Capacity Resource's New Capacity Qualification Package consistent with the dates set forth in Section III.13.1.10, and shall determine whether the package is complete and whether, based on the information provided, the New Generating Capacity Resource is accepted for participation in the Forward Capacity Auction. In making these determinations, the ISO may consider, but is not limited to considering, the following:

(a) whether the New Capacity Qualification Package contains all of the elements required by this Section III.13.1.1.2;

(b) whether the critical path schedule includes all necessary elements and is sufficiently developed;

- (c) whether the milestones in the critical path schedule are reasonable and likely to be met;
- (d) whether, in the case of a resource previously counted as a capacity resource, the requirements for treatment as a New Generating Capacity Resource are satisfied; and
- (e) whether, in the case of an Intermittent Power Resource, sufficient data for confirming the resource's claimed summer and winter Qualified Capacity is provided, and whether the data provided reasonably supports the claimed summer and winter Qualified Capacity.

III.13.1.1.2.5. Qualified Capacity for New Generating Capacity Resources.

III.13.1.1.2.5.1. New Generating Capacity Resources Other Than Intermittent Power Resources.

The summer Qualified Capacity and winter Qualified Capacity of a New Generating Capacity Resource that is not an Intermittent Power Resource that has cleared in the Forward Capacity Auction shall be based on the data provided to the ISO during the qualification process, subject to ISO review and verification, and possibly as modified pursuant to Section III.13.1.1.2.3(ba)(i). The FCA Qualified Capacity for such a resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

III.13.1.1.2.5.2. [Reserved]

III.13.1.1.2.5.3. New Generating Capacity Resources that are Intermittent Power Resources.

The summer Qualified Capacity and winter Qualified Capacity of a New Generating Capacity Resource that is an Intermittent Power Resource shall be the summer Qualified Capacity and winter Qualified Capacity claimed by the Project Sponsor pursuant to Section III.13.1.1.2.2.6, as confirmed by the ISO pursuant to Section III.13.1.1.2.4(e). The FCA Qualified Capacity for such a resource shall be equal to the resource's summer Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

III.13.1.1.2.5.4. New Generating Capacity Resources Partially Clearing in a Previous Forward Capacity Auction.

Where, as discussed in Section III.13.1.1.1(c), a New Generating Capacity Resource was accepted for participation in a previous Forward Capacity Auction, but cleared less than its summer or winter Qualified Capacity in that previous Forward Capacity Auction and is having its critical path schedule monitored by the ISO as described in Section III.13.3, its summer and winter Qualified Capacity as a New Generating Capacity Resource in the instant Forward Capacity Auction shall be the summer and winter Qualified Capacity from the previous Forward Capacity Auction minus the amount of capacity clearing from the New Generating Capacity Resource in the previous Forward Capacity Auction. The FCA Qualified Capacity for such a resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources. The amount of capacity clearing in a Forward Capacity Auction from a New Generating Capacity Resource shall be treated as an Existing Generating Capacity Resource in subsequent Forward Capacity Auctions.

III.13.1.1.2.6. [Reserved.]

III.13.1.1.2.7. Opportunity to Consult with Project Sponsor.

In its review of a New Capacity Show of Interest Form or a New Capacity Qualification Package, the ISO may consult with the Project Sponsor to seek clarification, to gather additional necessary information, or to address questions or concerns arising from the materials submitted. At the discretion of the ISO, the ISO may consider revisions or additions to the qualification materials resulting from such consultation; provided, however, that in no case shall the ISO consider revisions or additions to the qualification materials if the ISO believes that such consideration cannot be properly accomplished within the time periods established for the qualification process. In addition, the ISO or the Project Sponsor may confer to seek clarification, to gather additional necessary information, or to address questions or concerns prior to the ISO's final determination and notification of qualification.

III.13.1.1.2.8. Qualification Determination Notification for New Generating Capacity Resources.

For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the ISO shall send notification as required under this Section III.13.1.1.2.8 to Project Sponsors or Market Participants, as applicable, for each New Generating Capacity Resource no later than October 12, 2023. No later than 127 days before the Forward Capacity Auction, the ISO shall send notification to Project Sponsors or Market Participants, as applicable, for each New Generating Capacity Resource indicating:

(a) whether the New Generating Capacity Resource has been accepted for participation in the Forward Capacity Auction as a result of the [interconnection review](#) ~~initial interconnection analysis~~ made pursuant to Section III.13.1.1.2.3, and if not accepted, an explanation of the reasons the New Generating Capacity Resource was not accepted [as a result of the interconnection review](#) ~~in the initial interconnection analysis~~;

(b) whether the New Generating Capacity Resource has been accepted for participation in the Forward Capacity Auction as a result of the New Capacity Qualification Package evaluation made pursuant to Section III.13.1.1.2.4, and if not accepted, an explanation of the reasons the New Generating Capacity Resource's New Capacity Qualification Package was not accepted;

(c) [\[Reserved.\]](#) ~~if accepted for participation in the Forward Capacity Auction, a list of the facilities that may be required to complete the interconnection for purposes of providing capacity and time required to construct those facilities by the start of the associated Capacity Commitment Period, as discussed in Section III.13.1.1.2.3(d);~~

(d) if accepted for participation in the Forward Capacity Auction, the New Generating Capacity Resource's summer Qualified Capacity and winter Qualified Capacity, as determined pursuant to Section III.13.1.1.2.5;

(e) [\[Reserved.\]](#)

~~if accepted for participation in the Forward Capacity Auction, but subject to the provisions of Section III.13.1.1.2.3(f) (where not all New Generating Capacity Resources can be interconnected due to their combined effects on the New England Transmission System), a description of how the New Generating Capacity Resource shall participate in the Forward Capacity Auction, including, for the fourth and future auctions: (i) whether the resource shall participate as a Conditional Qualified New Resource; (ii) for the notification to a Conditional Qualified New Resource, the Queue Position of the associated resource with higher queue priority; and (iii) for the notification to a resource with higher queue priority than a Conditional Qualified New Resource, the Queue Position of the Conditional Qualified New Resource;~~

(f) if accepted for participation in the Forward Capacity Auction, the ISO's determination as to whether the New Generating Capacity Resource satisfies any of the conditions described in Section III.A.21.1 and the basis for such determination; and

(g) if accepted for participation in the Forward Capacity Auction and subject to buyer-side market power review pursuant to Section III.A.21.2, the Internal Market Monitor's determinations regarding whether the New Generating Capacity Resource's requested lowest offer price, submitted pursuant to Section III.13.1.1.2.2.3(a), must be mitigated, as described in Section III.A.21.2.3. The ISO shall not disclose to the Project Sponsor any information regarding the potential impact of any offer from the Project Sponsor on Capacity Clearing Prices.

III.13.1.1.2.9 Renewable Technology Resource Election.

A Project Sponsor or Market Participant may not elect Renewable Technology Resource treatment for the FCA associated with a Capacity Commitment Period beginning on or after June 1, 2028.

A Project Sponsor or Market Participant electing Renewable Technology Resource treatment for the FCA Qualified Capacity of a New Generating Capacity Resource or New Demand Capacity Resource shall submit a Renewable Technology Resource election form no later than two Business Days after the date on which the ISO provides qualification determination notifications pursuant to Section III.13.1.1.2.8 or Section III.13.1.4.1.1.6. Only the portion of the FCA Qualified Capacity of the resource that meets the requirements of Section III.13.1.1.1.7 is eligible for treatment as a Renewable Technology Resource.

Renewable Technology Resource elections may not be modified or withdrawn after the deadline for submission of the Renewable Technology Resource election form.

The submission of a Renewable Technology Resource election that satisfies the requirements of Section III.13.1.1.1.7 will invalidate a prior multi-year Capacity Supply Obligation and Capacity Clearing Price election for the same resource made pursuant to Section III.13.1.4.1.1.2.7 or Section III.13.1.1.2.2.4 for a Forward Capacity Auction.

III.13.1.1.2.10 Determination of Renewable Technology Resource Qualified Capacity.

- (a) If the total FCA Qualified Capacity of Renewable Technology Resources exceeds the cap specified in subsections (b) and (c), the qualified capacity value of each resource shall be prorated by the ratio of the cap divided by the total FCA Qualified Capacity. The ISO shall notify the Project Sponsor or Market Participant, as applicable, of the Qualified Capacity value of its resource no more than five Business Days after the deadline for submitting Renewable Technology Resource elections.
- (b) The cap for the Capacity Commitment Period beginning on June 1, 2026 is 300 MW.
- (c) The cap for the Capacity Commitment Period beginning on June 1, 2027 is (i) 400 MW, (ii) plus the difference between 300 MW and the amount of Capacity Supply Obligations acquired by Renewable Technology Resources in the Forward Capacity Auction associated with the Capacity Commitment Period beginning on June 1, 2026, and (iii) minus the amount of Capacity Supply Obligations acquired through the substitution auction, as described in Section III.13.2.8, for the Forward Capacity Auction associated with the Capacity Commitment Period beginning on June 1, 2026. For clarification, the calculation in (ii) above shall only account for Capacity Supply Obligations acquired in the primary Forward Capacity Auction, and shall not include any additional Capacity Supply Obligations for such a resource acquired through the substitution auction

III.13.1.2. Existing Generating Capacity Resources.

An Existing Generating Capacity Resource, as defined in Section III.13.1.2.1, may participate in the Forward Capacity Auction pursuant to the provisions of this Section III.13.1.2.

III.13.1.2.1. Definition of Existing Generating Capacity Resource.

Any resource that does not satisfy the criteria for participating in the Forward Capacity Auction as a New Generating Capacity Resource (Section III.13.1.1), as an Existing Import Capacity Resource or New Import Capacity Resource (Section III.13.1.3), as a New Demand Capacity Resource or Existing Demand Capacity Resource (Section III.13.1.4), or as a New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource (Section III.13.1.4A) shall be an Existing Generating Capacity Resource.

III.13.1.2.1.1. Attributes of Existing Generating Capacity Resources.

For purposes of Forward Capacity Auction qualification, a Market Participant may not change any Existing Generating Capacity Resource attribute (including but not limited to the resource's status as an Intermittent Power Resource) in the period beginning 20 Business Days prior to the Existing Capacity

Retirement Deadline and ending with the conclusion of the Forward Capacity Auction. Outside of this period, any such change must be accompanied by documentation justifying the change.

III.13.1.2.1.2 Rationing Minimum Limit.

No later than 120 days before the Forward Capacity Auction Market Participants may specify a Rationing Minimum Limit for an Existing Generating Capacity Resource.

III.13.1.2.2. Qualified Capacity for Existing Generating Capacity Resources.

III.13.1.2.2.1. Existing Generating Capacity Resources Other Than Intermittent Power Resources.

III.13.1.2.2.1.1. Summer Qualified Capacity.

The summer Qualified Capacity of an Existing Generating Capacity Resource that is not an Intermittent Power Resource shall be equal to the median of that Existing Generating Capacity Resource's summer Seasonal Claimed Capability ratings from the most recent five years, as of the fifth Business Day in October of each year, with only positive summer ratings included in the median calculation. For the first Forward Capacity Auction, the summer Qualified Capacity of an Existing Generating Capacity Resource shall be equal to the median of that Existing Generating Capacity Resource's summer Seasonal Claimed Capability ratings from the most recent four years, as of the fifth Business Day in October of each year, with only positive summer ratings included in the median calculation. Where an Existing Generating Capacity Resource has fewer than five summer Seasonal Claimed Capability ratings, or in the case of the first Forward Capacity Auction, fewer than four summer Seasonal Claimed Capability ratings, then the summer Qualified Capacity for that Existing Generating Capacity Resource shall be equal to the median of all of that Existing Generating Capacity Resource's previous summer Seasonal Claimed Capability ratings, as of the fifth Business Day in October of each year, with only positive summer ratings included in the median calculation. If for an Existing Generating Capacity Resource there are no previous positive summer Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's summer Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.1.2. Winter Qualified Capacity.

The winter Qualified Capacity of an Existing Generating Capacity Resource that is not an Intermittent Power Resource shall be equal to the median of that Existing Generating Capacity Resource's winter Seasonal Claimed Capability ratings from the most recent five years, as of the fifth Business Day in June of each year, with only positive winter ratings included in the median calculation. For the first Forward Capacity Auction, the winter Qualified Capacity of an Existing Generating Capacity Resource shall be equal to the median of that Existing Generating Capacity Resource's winter Seasonal Claimed Capability ratings from the most recent four years, as of the fifth Business Day in June of each year, with only positive winter ratings included in the median calculation. Where an Existing Generating Capacity Resource has fewer than five winter Seasonal Claimed Capability ratings, or in the case of the first Forward Capacity Auction, fewer than four winter Seasonal Claimed Capability ratings, then the winter Qualified Capacity for that Existing Generating Capacity Resource shall be equal to the median of all of that Existing Generating Capacity Resource's previous winter Seasonal Claimed Capability ratings, as of the fifth Business Day in June of each year, with only positive winter ratings included in the median calculation. If for an Existing Generating Capacity Resource there are no previous positive winter Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's winter Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.2. Existing Generating Capacity Resources that are Intermittent Power Resources.

The summer and winter Qualified Capacity for an Existing Generating Capacity Resource that is an Intermittent Power Resource shall be calculated as follows:

III.13.1.2.2.2.1. Summer Qualified Capacity for an Intermittent Power Resource.

- (a) With regard to any Forward Capacity Auction qualification process, for each of the previous five summer periods, the ISO shall determine the median of the Intermittent Power Resource's net output in the Summer Intermittent Reliability Hours. If there are less than five full summer periods since the Intermittent Power Resource achieved FCM Commercial Operation, the ISO shall determine the median of the Intermittent Power Resource's net output in each of the previous summer periods, or portion thereof, since the Intermittent Power Resource achieved FCM Commercial Operation.
- (b) The Intermittent Power Resource's summer Qualified Capacity shall be the average of the median numbers determined in Section III.13.1.2.2.2.1(a).

(c) The Summer Intermittent Reliability Hours shall be hours ending 1400 through 1800 each day of the summer period (June through September) and all summer period hours in which there was a system-wide Capacity Scarcity Condition and if the Intermittent Power Resource was in an import-constrained Capacity Zone, all Capacity Scarcity Conditions in that Capacity Zone.

(d) If for an Existing Generating Capacity Resource that is an Intermittent Power Resource there are no previous positive summer Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's summer Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.2.2. Winter Qualified Capacity for an Intermittent Power Resource.

(a) With regard to any Forward Capacity Auction qualification process, for each of the previous five winter periods, the ISO shall determine the median of the Intermittent Power Resource's net output in the Winter Intermittent Reliability Hours. If there are less than five full winter periods since the Intermittent Power Resource achieved FCM Commercial Operation, the ISO shall determine the median of the Intermittent Power Resource's net output in each of the previous winter periods, or portion thereof, since the Intermittent Power Resource achieved FCM Commercial Operation.

(b) The Intermittent Power Resource's winter Qualified Capacity shall be the average of the median numbers determined in Section III.13.1.2.2.2.2(a).

(c) The Winter Intermittent Reliability Hours shall be hours ending 1800 and 1900 each day of the winter period (October through May) and all winter period hours in which there was a system-wide Capacity Scarcity Condition and if the Intermittent Power Resource was in an import-constrained Capacity Zone, all Capacity Scarcity Conditions in that Capacity Zone.

(d) If for an Existing Generating Capacity Resource that is an Intermittent Power Resource there are no previous positive winter Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's winter Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.3. Qualified Capacity Adjustment for Partially New and Partially Existing Resources.

(a) Where an Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource is associated with a New Generating Capacity Resource or New Distributed Energy Capacity Resource that was accepted for participation in a previous Forward Capacity Auction qualification process and that cleared in a previous Forward Capacity Auction, then in each subsequent Forward Capacity Auction until the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation the summer Qualified Capacity of that Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource shall be the sum of [the median of that Existing Generating Capacity Resource's positive summer Seasonal Claimed Capability ratings or Existing Distributed Energy Capacity Resource's positive summer Seasonal DECR Audit Values from the most recent five years, as of the fifth Business Day of October of each year, calculated in a manner consistent with Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A] plus [the amount of the New Generating Capacity Resource or New Distributed Energy Capacity Resource's capacity clearing in previous Forward Capacity Auctions]. After the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation, the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's summer Qualified Capacity shall be calculated as described in Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A.1.1, except that no data from the time period prior to the New Generating Capacity Resource or New Distributed Energy Capacity Resource's FCM Commercial Operation date shall be used to determine the summer Qualified Capacity associated with the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource.

(b) Where an Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource is associated with a New Generating Capacity Resource or New Distributed Energy Capacity Resource that was accepted for participation in a previous Forward Capacity Auction qualification process and that cleared in a previous Forward Capacity Auction, then in each subsequent Forward Capacity Auction until the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation the winter Qualified Capacity of that Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource shall be the sum of [the median of that Existing Generating Capacity Resource's positive winter Seasonal Claimed Capability ratings or Existing Distributed Energy Capacity Resource's positive winter Seasonal DECR Audit Values from the most recent five years, as of the fifth Business Day of June of each year, calculated in a manner consistent with Section III.13.1.2.2.1.2 or Section III.13.1.4A.2.A.1.2] plus [the amount of the New Generating

Capacity Resource or New Distributed Energy Capacity Resource's capacity clearing in previous Forward Capacity Auctions]. After the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation, the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's winter Qualified Capacity shall be calculated as described in Section III.13.1.2.2.1.2 or Section III.13.1.4A.2.A.1.2, except that no data from the time period prior to the New Generating Capacity Resource or New Distributed Energy Capacity Resource's FCM Commercial Operation date shall be used to determine the winter Qualified Capacity associated with the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource.

III.13.1.2.2.4. Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline.

Where the most recent summer Seasonal Claimed Capability or most recent summer Seasonal DECR Audit Value, as of the fifth Business Day in October, of an Existing Generating Capacity Resource (other than a Settlement Only Resource or an Intermittent Power Resource) and Existing Distributed Energy Capacity Resource (other than one comprised of Settlement Only Resources or an Intermittent Power Resource) is below its summer Qualified Capacity, as determined pursuant to Section III.13.1.2.2.1.1 and Section III.13.1.4A.2.A.1.1, respectively, by:

- (1) for Capacity Commitment Periods beginning prior to June 1, 2023, more than the lesser of 20 percent of that summer Qualified Capacity or 40 MW;
- (2) for Capacity Commitment Periods beginning on or after June 1, 2023, more than the lesser of:
 - (i) the greater of 10 percent of that summer Qualified Capacity or two MW, or;
 - (ii) 10 MW;

then the Lead Market Participant must elect one of the two treatments described in this Section III.13.1.2.2.4 by the Existing Capacity Retirement Deadline. If the Lead Market Participant makes no election, or elects treatment pursuant to Section III.13.1.2.2.4(c) and fails to meet the associated requirements, then the treatment described in Section III.13.1.2.2.4(a) shall apply.

(a) A Lead Market Participant may elect, for the purposes of the Forward Capacity Auction only, to have the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's summer Qualified Capacity set to the most recent summer Seasonal Claimed Capability or summer Seasonal DECR Audit Value as of the fifth Business Day in October, provided that the Lead Market Participant has furnished evidence regarding the cause of the de-rating.

(b) [Reserved.]

(c) A Lead Market Participant may elect: (i) to submit a critical path schedule as described in Section III.13.1.1.2.2.2, Section III.13.1.4A.1.1.2.3, or Section III.13.1.4A.1.1.2.4, modified as appropriate, describing the measures that will be taken and showing that the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource will be able to provide an amount of capacity consistent with the summer Qualified Capacity as calculated pursuant to Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A.1.1 by the start of the relevant Capacity Commitment Period; and (ii) to have the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's summer Qualified Capacity remain as calculated pursuant to Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A.1.1 for the Forward Capacity Auction. For an Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource subject to this election, the critical path schedule monitoring provisions of Section III.13.3 shall apply.

III.13.1.2.2.5. Adjustment for Certain Significant Increases in Capacity.

Where an Existing Generating Capacity Resource (other than a Settlement Only Resource) meets the requirements of Section III.13.1.1.1.3(a) but not the requirements of Section III.13.1.1.1.3(b), the Lead Market Participant may elect to have the Existing Generating Capacity Resource's summer Qualified Capacity be the sum of [the median of that Existing Generating Capacity Resource's positive summer Seasonal Claimed Capability ratings from the most recent five years, as of the fifth Business Day in October of each year, calculated in a manner consistent with Section III.13.1.2.2.1.1] plus [the amount of incremental capacity as described in Section III.13.1.1.1.3(a)]; provided, however, that the Lead Market Participant must abide by all other provisions of this Section III.13 applicable to a resource that is a New Generating Capacity Resource pursuant to Section III.13.1.1.1.3. Such an election must be made in writing and must be received by the ISO no later than the close of the New Capacity Show of Interest Submission Window. If the incremental amount of capacity seeking to participate in the Forward Capacity Auction meets the requirements of this Section, but the incremental amount of capacity does not span the entire Capacity Commitment Period, then the ISO shall match the incremental amount of capacity with excess Qualified Capacity at that same resource, not to exceed the Qualified Capacity of the existing portion of the resource, in order to cover the entire Capacity Commitment Period. This provision shall not apply to Intermittent Power Resources.

III.13.1.2.2.5.1. [Reserved.]

III.13.1.2.2.5.2. Requirements for an Existing Generating Capacity Resource, Existing Demand Capacity Resource, Existing Distributed Energy Capacity Resource, or Existing Import Capacity Resource Having a Higher Summer Qualified Capacity than Winter Qualified Capacity.

Where an Existing Generating Capacity Resource, Existing Demand Capacity Resource, or Existing Import Capacity Resource (other than an Intermittent Power Resource) has a summer Qualified Capacity that exceeds its winter Qualified Capacity, both as calculated pursuant to this Section III.13.1.2.2, then that resource must either: (i) offer its summer Qualified Capacity as part of an offer composed of separate resources, as discussed in Section III.13.1.5; or (ii) have its FCA Qualified Capacity administratively set by the ISO to the lesser of its summer Qualified Capacity and winter Qualified Capacity.

Where an Existing Distributed Energy Capacity Resource (other than an Intermittent Power Resource) has a summer Qualified Capacity that exceeds its winter Qualified Capacity, both as calculated pursuant to this Section III.13.1.4A.2.A, then that resource must have its FCA Qualified Capacity administratively set by the ISO to the lesser of its summer Qualified Capacity and winter Qualified Capacity.

III.13.1.2.3. Qualification Process for Existing Generating Capacity Resources.

- (a) For each Existing Generating Capacity Resource, no later than 15 Business Days before the Existing Capacity Retirement Deadline, the ISO will notify the resource's Lead Market Participant of the resource's summer Qualified Capacity and winter Qualified Capacity and the Load Zone in which the Existing Generating Capacity Resource is located.
- (b) If the Lead Market Participant believes that the ISO has made a mathematical error in calculating the summer Qualified Capacity or winter Qualified Capacity for an Existing Generating Capacity Resource as described in Section III.13.1.2.2, then the Lead Market Participant must notify the ISO within five Business Days of receipt of the Qualified Capacity notification.
- (c) The ISO shall notify the Lead Market Participant of the outcome of any such challenge no later than five Business Days before the Existing Capacity Retirement Deadline. If an Existing Generating Capacity Resource does not submit a Static De-List Bid, an Export Bid, an Administrative Export De-List Bid, a Permanent De-List Bid, or a Retirement De-List Bid in the Forward Capacity Auction qualification process, then the resource shall be entered into the Forward Capacity Auction as described in Section III.13.2.3.2(c).

III.13.1.2.3.1. Existing Capacity Retirement Package and Existing Capacity Qualification Package.

A resource that previously has been deactivated pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions) and seeks to reactivate and participate in the Forward Capacity Market as an Existing Generating Capacity Resource must submit a reactivation plan no later than 10 Business Days before the Existing Capacity Retirement Deadline, as described in Section III.13.1.1.1.6(b). All Permanent De-List Bids and Retirement De-List Bids in the Forward Capacity Auction must be detailed in an Existing Capacity Retirement Package submitted to the ISO no later than the Existing Capacity Retirement Deadline. All Static De-List Bids, Export Bids and Administrative Export De-List Bids in the Forward Capacity Auction must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification Deadline. Permanent De-List Bids and Retirement De-List Bids may not be modified or withdrawn after the Existing Capacity Retirement Deadline, except as provided for in Sections III.13.1.2.4.1 and III.13.1.2.3.1.5(d). All Static De-List Bids, Export Bids, and Administrative Export De-List Bids submitted in the qualification process may not be modified or withdrawn after the Existing Capacity Qualification Deadline, except as provided for in Section III.13.1.2.3.1.1. An Existing Generating Capacity Resource may not submit a Static De-List Bid, Export Bid, Administrative Export De-List Bid, Permanent De-List Bid, or Retirement De-List Bid for an amount of capacity greater than its summer Qualified Capacity, unless the submittal is for the entire resource. Where a resource elected pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7 to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, the capacity associated with any resulting Capacity Supply Obligation may not be subject to any type of de-list or export bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply. For a single resource, a Lead Market Participant may combine a Static De-List Bid, an Export Bid, and an Administrative Export De-List Bid; neither a Permanent De-List Bid nor a Retirement De-List Bid may be combined with any other type of de-list or export bid.

Static De-List Bids and Export Bids may elect to be rationed (as described in Section III.13.2.6, however, an Export Bid is always subject to potential rationing where the associated external interface binds). Where a Lead Market Participant submits any combination of Static De-List Bid and Export Bid for a single resource, each of those bids must have the same rationing election. Where a Lead Market Participant submits any combination of Static De-List Bid, Export Bid, and Administrative Export De-

List Bid for a single resource, none of the prices in a set of price-quantity pairs associated with a bid may be the same as any price in any other set of price-quantity pairs associated with another bid for the same resource.

III.13.1.2.3.1.A Dynamic De-List Bid Threshold.

For the fifteenth Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2024), the Dynamic De-List Bid Threshold is \$4.30/kW-month. For each Forward Capacity Auction thereafter, the Dynamic De-List Bid Threshold shall be calculated as described below in this Section III.13.1.2.3.1.A, and shall be published to the ISO's website no later than 5 Business Days before the Existing Capacity Retirement Deadline. This publication shall include the preliminary value calculated pursuant to subsection (a) below, whether the preliminary value was constrained by either of the limitations described in subsection (b) below, the margin value as calculated pursuant to subsection (c) below, and the final value as calculated pursuant to subsection (d) below.

(a) Subject to the limitations described in subsection (b) below, a preliminary value of the Dynamic De-List Bid Threshold shall be calculated as the average of: (i) the Capacity Clearing Price for the Rest-of-Pool Capacity Zone from the immediately preceding Forward Capacity Auction (provided, however, that if there is a second run of the primary auction-clearing process pursuant to Section III.13.2.5.2.1(d), the resulting Rest-of-Pool Capacity Zone clearing price from that run shall be used instead); and (ii) the price at which the total amount of capacity clearing in the immediately preceding Forward Capacity Auction intersects the estimated System-Wide Capacity Demand Curve for the upcoming Forward Capacity Auction. For this purpose, the estimated System-Wide Capacity Demand Curve shall be constructed, in the same manner as described in Section III.13.2.2.1, using the system-wide Marginal Reliability Impact values from the immediately preceding Forward Capacity Auction, the most recent estimate of the Installed Capacity Requirement (net of HQICCs) for the upcoming Forward Capacity Auction, and the Net CONE and Forward Capacity Auction Starting Price for the upcoming Forward Capacity Auction.

(b) The preliminary value of the Dynamic De-List Bid Threshold shall not be higher than 75 percent of the Net CONE value for the upcoming Forward Capacity Auction. The preliminary value of the Dynamic De-List Bid Threshold shall not be lower than 75 percent of the clearing price applicable pursuant to (a)(i) of this Section III.13.1.2.3.1.A, except as needed to ensure that it is not higher than 75 percent of the Net CONE value for the upcoming Forward Capacity Auction.

(c) A margin value shall be calculated using the following formula:

$$Margin = \$1/kW\text{-month} \times \left[\frac{(75\% \times Net\ CONE_{upcoming\ FCA}) - DDBT_{preliminary}}{(75\% \times Net\ CONE_{upcoming\ FCA})} \right]$$

(d) The final value of the Dynamic De-List Bid Threshold for the upcoming Forward Capacity Auction shall be equal to the preliminary value of the Dynamic De-List Bid Threshold calculated pursuant to Sections III.13.1.2.3.1.A(a) and III.13.1.2.3.1.A(b) plus the margin value calculated pursuant to Section III.13.1.2.3.1.A(c).

III.13.1.2.3.1.1. Static De-List Bids.

A Lead Market Participant with an Existing Capacity Resource, or a portion thereof, seeking to specify a price below which it would not accept a Capacity Supply Obligation for that resource, or a portion thereof, at prices at or above the Dynamic De-List Bid Threshold during a single Capacity Commitment Period may submit a Static De-List Bid in the associated Forward Capacity Auction qualification process. A Static De-List Bid may not result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit except where the resource submits de-list and export bids totaling the resource's full summer Qualified Capacity. Each Static De-List Bid must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification Deadline, and must be in the form of a curve (up to five price-quantity pairs). The curve may in no case increase the quantity offered as the price decreases. All Static De-List Bids are subject to a reliability review as described in Section III.13.2.5.2.5. Static De-List Bids are subject to review by the Internal Market Monitor pursuant to Section III.13.1.2.3.2 and must include the additional documentation described in that section. With the submission of a Static De-List Bid, the Lead Market Participant must notify the ISO if the Existing Capacity Resource will not be participating in the energy and ancillary services markets during the Capacity Commitment Period (except for necessary audits or tests).

No later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.2.4(b), a Lead Market Participant that submitted a Static De-List Bid may: (a) lower the price of any price-quantity pair of a Static De-List Bid, provided that the revised price is greater than or equal to the Dynamic De-List Bid Threshold, or; (b) withdraw any price-quantity pair of a Static De-List Bid.

III.13.1.2.3.1.2. [Reserved.]

III.13.1.2.3.1.3. Export Bids.

An Existing Generating Capacity Resource within the New England Control Area, other than an Intermittent Power Resource or a Renewable Technology Resource, seeking to export all or part of its capacity during a Capacity Commitment Period may submit an Export Bid in the associated Forward Capacity Auction qualification process. An Export Bid may not result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit except where the resource submits de-list and export bids totaling the resource's full summer Qualified Capacity. All Export Bids are subject to a reliability review as described in Section III.13.2.5.2.5. Export Bids at or above the Dynamic De-List Bid Threshold are subject to review by the Internal Market Monitor pursuant to Section III.13.1.2.3.2 and must include the additional information described in that Section. Each Export Bid must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification Deadline, and must be in the form of a curve (up to five price-quantity pairs) associated with a specific Existing Generating Capacity Resource. The curve may in no case increase the quantity offered as the price decreases. Each price-quantity pair must be less than the Forward Capacity Auction Starting Price. The Existing Capacity Qualification Package for each Export Bid must also specify the interface over which the capacity will be exported. Export Bids shall be entered into the Forward Capacity Auction pursuant to Section III.13.2.3.2(b).

III.13.1.2.3.1.4. Administrative Export De-List Bids.

An Existing Generating Capacity Resource other than an Intermittent Power Resource or a Renewable Technology Resource subject to a multiyear contract to sell capacity outside of the New England Control Area during the Capacity Commitment Period that either: (i) cleared as an Export Bid in a previous Forward Capacity Auction for a Capacity Commitment Period within the duration of the contract; or (ii) entered into a contract prior to April 30, 2007 to sell capacity outside of the New England Control Area during the Capacity Commitment Period, may submit an Administrative Export De-List Bid in the associated Forward Capacity Auction qualification process. An Administrative Export De-List Bid may not result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit except where the resource submits de-list and export bids totaling the resource's full summer Qualified Capacity. Unless reviewed as an Export Bid in a previous Forward Capacity Auction, an Administrative Export De-List Bid is subject to a reliability review prior to clearing in a Forward Capacity Auction, as described in Section III.13.2.5.2.5, and is subject to review by the Internal Market Monitor in the first Forward Capacity Auction in which it participates, pursuant to Section III.13.1.7. Both the reliability review and the review by the Internal Market Monitor shall be conducted once and shall remain valid for the multiyear contract period. Each Administrative Export De-List Bid must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification

Deadline, must be associated with a specific Existing Generating Capacity Resource, and must indicate the quantity of capacity subject to the bid. The Existing Capacity Qualification Package for each Administrative Export De-List Bid must also specify the interface over which the capacity will be exported, and must include documentation demonstrating a contractual obligation to sell capacity outside of the New England Control Area during the whole Capacity Commitment Period. Administrative Export De-List Bids shall be entered into the Forward Capacity Auction pursuant to Section III.13.2.5.2.4.

III.13.1.2.3.1.5. Permanent De-List Bids and Retirement De-List Bids.

(a) A Lead Market Participant with an Existing Capacity Resource seeking to specify a price at or below which it would not accept a Capacity Supply Obligation permanently for all or part of a Generating Capacity Resource beginning at the start of a particular Capacity Commitment Period may submit a Permanent De-List Bid in the associated Forward Capacity Auction qualification process.

(b) A Lead Market Participant with an Existing Capacity Resource seeking to specify a price at or below which it would retire all or part of a Generating Capacity Resource from all New England Markets beginning at the start of a particular Capacity Commitment Period may submit a Retirement De-List Bid in the associated Forward Capacity Auction qualification process.

(c) No Permanent De-List Bid or Retirement De-List Bid may result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit unless the Permanent De-List Bid or Retirement De-List Bid is for the entire resource. Each Permanent De-List Bid and Retirement De-List Bid must be detailed in an Existing Capacity Retirement Package submitted to the ISO no later than the Existing Capacity Retirement Deadline, and must be in the form of a curve (up to five price-quantity pairs) associated with a specific Existing Capacity Resource. The curve may in no case increase the quantity offered as the price decreases. Permanent De-List Bids and Retirement De-List Bids are subject to review by the Internal Market Monitor pursuant to Section III.13.1.2.3.2.1 and must include the additional documentation described in that section.

(d) Once submitted, a Permanent De-List Bid or Retirement De-List Bid may not be withdrawn or modified, except as provided in Section III.13.1.2.4.1 and as follows: During the time provided for adjustments to Static De-List Bids under Section III.13.1.2.3.1.1, a Lead Market Participant may reduce the Internal Market Monitor-accepted Permanent De-List Bid or Retirement De-List Bid to a price that is no lower than .75 times the Internal Market Monitor-accepted price determined pursuant to Section III.13.1.2.3.2.1.1.2, provided the Lead Market Participant has not elected to retire the Resource for which

a Permanent De-List Bid or Retirement De-List Bid has been submitted under Section III.13.1.2.4.1(a) or elected conditional treatment of the Permanent De-List Bid or Retirement De-List Bid under Section III.13.1.2.4.1(b).

III.13.1.2.3.1.5.1. Reliability Review of Permanent De-List Bids and Retirement De-List Bids During the Qualification Process.

During the qualification process, the ISO will review the following de-list bids to determine if the resource is needed for reliability: (1) Internal Market Monitor-accepted Permanent De-List Bids and Internal Market Monitor-accepted Retirement De-List Bids that remain at or above the Forward Capacity Auction Starting Price even considering a full downward adjustment pursuant to Section III.13.1.2.3.1.5(d); and (2) Permanent De-List Bids and Retirement De-List Bids for which the Lead Market Participant has opted to have the resource reviewed for reliability as described in Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b). The reliability review will be conducted according to Section III.13.2.5.2.5, except as follows:

- (a) Permanent De-List Bids and Retirement De-List Bids that cannot be priced (for example, due to the expiration of an operating license) will be reviewed first.
- (b) System needs associated with Permanent De-List Bids and Retirement De-List Bids for resources found needed for reliability reasons pursuant to this Section III.13.1.2.3.1.5.1 will be reviewed with the Reliability Committee during the month of August following the issuance of retirement determination notifications pursuant to Section III.13.1.2.4(a). The Lead Market Participant shall be notified as soon as practicable following the ISO's consultation with the Reliability Committee that the capacity associated with a Permanent De-List Bid or Retirement De-List Bid is needed for reliability reasons.
- (c) If the capacity associated with a Permanent De-List Bid or Retirement De-List Bid is needed for reliability reasons pursuant to this Section III.13.1.2.3.1.5.1, the de-list bid shall be rejected and the resource shall be entered into the Forward Capacity Auction pursuant to Section III.13.2.3.2(c) and compensated according to Section III.13.2.5.2.5, unless the resource declines to be retained for reliability, as provided in Section III.13.1.2.3.1.5.1(d).
- (d) No later than the fifth Business Day in the month of September following the review of system needs with the Reliability Committee per (b) above, a Lead Market Participant may notify the ISO that it declines to provide the associated capacity for reliability. Such an election will be binding. A resource for

which a Lead Market Participant has made such an election will not be eligible for compensation pursuant to Sections III.13.2.5.2.5.1 or III.13.2.5.2.5.2.

(e) Where a resource is determined not to be needed for reliability or where a Lead Market Participant notifies the ISO that it declines to provide capacity for reliability pursuant to Section III.13.1.2.3.1.5.1(d), the capacity associated with the Permanent De-List Bid or Retirement De-List Bid will be treated as follows:

(i) For a Retirement De-List Bid determined to be at or above the Forward Capacity Auction Starting Price pursuant to Section III.13.1.2.3.1.5.1, or a Permanent De-List Bid or Retirement De-List Bid for which a Lead Market Participant has elected to retire the resource pursuant to Section III.13.1.2.4.1(a), the portion of the resource subject to the de-list bid will be retired as permitted by applicable law coincident with the commencement of the Capacity Commitment Period for which the de-list bid was submitted, as described in Section III.13.2.5.2.5.3(a).

(ii) For a Permanent De-List Bid determined to be at or above the Forward Capacity Auction Starting Price pursuant to Section III.13.1.2.3.1.5.1 for which a Lead Market Participant has not elected to retire the resource pursuant to Section III.13.1.2.4.1(a), the portion of the resource subject to the de-list bid will be permanently de-listed coincident with the commencement of the Capacity Commitment Period for which the de-list bid was submitted, as described in Section III.13.2.5.2.5.3(b).

(iii) For a Permanent De-List Bid or Retirement De-List Bid for which a Lead Market Participant has elected conditional treatment pursuant to Section III.13.1.2.4.1(b), the de-list bid will continue to receive conditional treatment as described in Section III.13.1.2.4.1(b), Section III.13.2.3.2(b)(ii), and Section III.13.2.5.2.1.

III.13.1.2.3.1.6. Static De-List Bids, Permanent De-List Bids and Retirement De-List Bids for Existing Generating Capacity Resources at Stations having Common Costs.

Where Existing Generating Capacity Resources at a Station having Common Costs elect to submit Static De-List Bids, Permanent De-List Bids, or Retirement De-List Bids, the provisions of this Section III.13.1.2.3.1.6 shall apply.

III.13.1.2.3.1.6.1. Submission of Cost Data.

In addition to the information required elsewhere in this Section III.13.1.2.3, Static De-List Bids, Permanent De-List Bids, or Retirement De-List Bids submitted by an Existing Generating Capacity Resource that is associated with a Station having Common Costs and seeking to delist must include detailed cost data to allow the ISO to determine the Asset-Specific Going Forward Costs for each asset associated with the Station and the Station Going Forward Common Costs.

III.13.1.2.3.1.6.2. [Reserved.]

III.13.1.2.3.1.6.3. Internal Market Monitor Review of Stations having Common Costs.

The Internal Market Monitor will review each Static De-List Bid, Permanent De-List Bid and Retirement De-List Bids from an Existing Generating Capacity Resource that is associated with a Station having Common Costs pursuant to the following methodology:

- (i) Calculate the average Asset-Specific Going Forward Costs of each asset at the Station.
- (ii) Order the assets from highest average Asset-Specific Going Forward Costs to lowest average Asset-Specific Going Forward Costs; this is the preferred de-list order.
- (iii) Calculate and assign to each asset a station cost that is equal to the average cost of the assets remaining at the Station, including Station Going Forward Common Costs, assuming the successive de-listing of each individual asset in preferred de-list order.
- (iv) Calculate a set of composite costs that is equal to the maximum of the cost associated with each asset as calculated in (i) and (iii) above.

The Internal Market Monitor will adjust the set of composite costs to ensure a monotonically non-increasing set of bids as follows: any asset with a composite cost that is greater than the composite cost of the asset with the lowest composite cost and that has average Asset-Specific Going Forward Costs that are less than its composite costs will have its composite cost set equal to that of the asset with the lowest composite cost. The bids of the asset with the lowest composite cost and of any assets whose composite costs are so adjusted will be considered a single non-rationable bid for use in the Forward Capacity Auction.

The Internal Market Monitor will compare a de-list bid developed using the adjusted composite costs to the de-list bid submitted by the Existing Generating Capacity Resource that is associated with a Station having Common Costs. If the Internal Market Monitor determines that the submitted de-list bid is less than or equal to the bid developed using the adjusted composite costs, then the bid shall be entered into the Forward Capacity Auction as described in Section III.13.2.3.2(b). If the Internal Market Monitor determines that the submitted de-list bid is greater than the bid developed using the adjusted composite costs or is not consistent with the submitted supporting cost data, then the Internal Market Monitor will establish an Internal Market Monitor-determined or Internal Market Monitor-accepted price for the bid as described in Section III.13.1.2.3.2.1.

III.13.1.2.3.2. Review by Internal Market Monitor of Bids from Existing Capacity Resources.

The Internal Market Monitor shall review bids for Existing Capacity Resources as follows.

III.13.1.2.3.2.1. Static De-List Bids and Export Bids, Permanent De-List Bids, and Retirement De-List Bids at or Above the Dynamic De-List Bid Threshold.

The Internal Market Monitor shall review each Static De-List Bid and each Export Bid at or above the Dynamic De-List Bid Threshold to determine whether the bid is consistent with: (1) the Existing Capacity Resource's net going forward costs (as determined pursuant to Section III.13.1.2.3.2.1.2.A); (2) reasonable expectations about the resource's Capacity Performance Payments (as determined pursuant to Section III.13.1.2.3.2.1.3); (3) reasonable risk premium assumptions (as determined pursuant to Section III.13.1.2.3.2.1.4); and (4) the resource's reasonable opportunity costs (as determined pursuant to Section III.13.1.2.3.2.1.5).

The Internal Market Monitor shall review each Permanent De-List Bid greater than 20 MW that is at or above the Dynamic De-List Bid Threshold and each Retirement De-List Bid greater than 20 MW that is at or above the Dynamic De-List Bid Threshold to determine whether the bid is consistent with: (1) the net present value of the resource's expected cash flows (as determined pursuant to Section III.13.1.2.3.2.1.2.B); (2) reasonable expectations about the resource's Capacity Performance Payments (as determined pursuant to Section III.13.1.2.3.2.1.3); and (3) the resource's reasonable opportunity costs (as determined pursuant to Section III.13.1.2.3.2.1.5). If more than one Permanent De-List Bid or Retirement De-List Bid is submitted by a single Lead Market Participant or its Affiliates (as used in Section III.A.24), the Internal Market Monitor shall review each such bid at or above the Dynamic De-List Bid Threshold if the sum of all such bids at or above the Dynamic De-List Bid Threshold is greater than 20

MW. The Internal Market Monitor shall review each Permanent De-List Bid and each Retirement De-List Bid submitted at any price pursuant to Section III.13.2.5.2.1(b) if the sum of the Permanent De-List Bids and Retirement De-List Bids submitted by the Lead Market Participant or its Affiliates (as used in Section III.A.24) is greater than 20 MW. Permanent De-List Bids and Retirement De-List Bids that are not reviewed by the Internal Market Monitor shall be included in the retirement determination notification described in Section III.13.1.2.4(a) and in the filing made to the Commission as described in Section III.13.8.1(a).

Sufficient documentation and information about each bid component must be included in the Existing Capacity Retirement Package or the Existing Capacity Qualification Package to allow the Internal Market Monitor to make the requisite determinations. If a Permanent De-List Bid or Retirement De-List Bid is submitted pursuant to Section III.13.2.5.2.1(b), all relevant updates to previously submitted documentation and information must be provided to support the newly submitted price and allow the Internal Market Monitor to make updated determinations. The updated information may include a request to discontinue the Permanent De-List Bid or Retirement De-List Bid such that it will not be entered into the Forward Capacity Auction, in which case the update must include sufficient supporting information on the nature of resource investments that were undertaken, or other materially changed circumstances, to allow the Internal Market Monitor to determine whether discontinuation is appropriate.

The entire de-list submittal shall be accompanied by an affidavit executed by a corporate officer attesting to the accuracy of its content, including reported costs, the reasonableness of the estimates and adjustments of costs that would otherwise be avoided if the resource were not required to meet the obligations of a listed resource, and the reasonableness of the expectations and assumptions regarding Capacity Performance Payments, cash flows, opportunity costs, and risk premiums, and shall be subject to audit upon request by the ISO.

III.13.1.2.3.2.1.1. Internal Market Monitor Review of De-List Bids.

The Internal Market Monitor may seek additional information from the Lead Market Participant (including information about the other existing or potential new resources controlled by the Lead Market Participant) after the qualification deadline to address any questions or concerns regarding the data submitted, as appropriate. The Internal Market Monitor shall review all relevant information (including data, studies, and assumptions) to determine whether the bid is consistent with the resource's net going forward costs, reasonable expectations about the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs. In making this determination, the Internal

Market Monitor shall consider, among other things, industry standards, market conditions (including published indices and projections), resource-specific characteristics and conditions, portfolio size, and consistency of assumptions across that portfolio.

III.13.1.2.3.2.1.1.1. Review of Static De-List Bids and Export Bids.

The Internal Market Monitor shall review Static De-List Bids and Export Bids and, after due consideration and consultation with the Lead Market Participant, as appropriate, shall develop an Internal Market Monitor-accepted Static De-List Bid or an Internal Market Monitor-accepted Export Bid. The Internal Market Monitor-accepted Static De-List Bid and Internal Market Monitor-accepted Export Bid shall be equal to the Static De-List Bid or Export Bid submitted by the Lead Market Participant unless the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the Internal Market Monitor-accepted de-list bid price(s) for the same de-list bid. If the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the Internal Market Monitor-accepted de-list bid price(s), the Internal Market Monitor shall calculate an Internal Market Monitor-accepted Static De-List Bid or Internal Market-Monitor-accepted Export Bid that is consistent with the sum of the resource's net going forward costs plus reasonable expectations about the resource's Capacity Performance Payments plus reasonable risk premium assumptions plus reasonable opportunity costs.

If an Internal Market Monitor-determined price is established for a Static De-List Bid or an Export Bid, both the qualification determination notification described in Section III.13.1.2.4 and the informational filing made to the Commission as described in Section III.13.8.1(c) shall include an explanation of the Internal Market Monitor-determined price based on the Internal Market Monitor review and the resource's net going forward costs, reasonable expectations about the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs as determined by the Internal Market Monitor.

III.13.1.2.3.2.1.1.2. Review of Permanent De-List Bids and Retirement De-List Bids.

The Internal Market Monitor shall review those Permanent De-List Bids and Retirement De-List Bids identified in Section III.13.1.2.3.2.1 and, after due consideration and consultation with the Lead Market Participant, as appropriate, shall develop an Internal Market Monitor-accepted Permanent De-List Bid or an Internal Market Monitor-accepted Retirement De-List Bid. The Internal Market Monitor-accepted Permanent De-List Bid and Internal Market Monitor-accepted Retirement De-List Bid shall be equal to the Permanent De-List Bid or Retirement De-List Bid submitted by the Lead Market Participant unless the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the

Internal Market Monitor-accepted de-list bid price(s) for the same de-list bid. If the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the Internal Market Monitor-accepted de-list bid price(s), the Internal Market Monitor shall calculate an Internal Market Monitor-accepted Permanent De-List Bid or Internal Market-Monitor-accepted Retirement De-List Bid that is consistent with the sum of the net present value of the resource's expected cash flows plus reasonable expectations about the resource's Capacity Performance Payments plus reasonable opportunity costs.

The retirement determination notification described in Section III.13.1.2.4(a) and the filing made to the Commission as described in Section III.13.8.1(a) shall include an explanation of the Internal Market Monitor-accepted price and the Internal Market Monitor determination on any request to discontinue the Permanent De-List Bid or Retirement De-List Bid.

III.13.1.2.3.2.1.2.A. Static De-List Bid and Export Bid Net Going Forward Costs.

The Lead Market Participant for an Existing Capacity Resource that submits a Static De-List Bid or an Export Bid at or above the Dynamic De-List Bid Threshold that is to be reviewed by the Internal Market Monitor shall report expected net going forward costs for the applicable Capacity Commitment Period in a manner and format specified by the Internal Market Monitor, and may supplement this information with other evidence. A Static De-List Bid or Export Bid at or above the Dynamic De-List Bid Threshold shall be considered consistent with the Existing Capacity Resource's net going forward costs based on a review of the data submitted in the following formula.

Net Going Forward Costs =

$$\frac{(GFC - IMR) \times InfIndex}{(CQ_{Summer, kW}) \times (12 months)}$$

Where:

GFC = annual going forward costs, in dollars. These are the expected costs and capital expenditures that might otherwise be avoided or not incurred if the resource were not subject to the obligations of a resource with a Capacity Supply Obligation during the Capacity Commitment Period (i.e., maintaining a constant condition of being ready to respond to commitment and dispatch orders). Costs that are not avoidable in a single Capacity Commitment Period and costs associated with the production of energy are not to be included. Service of debt is not a going forward cost. Staffing, maintenance, capital expenses, and other normal expenses that would be avoided only in the absence of a Capacity Supply Obligation

may be included. Staffing, maintenance, capital expenses, and other normal expenses that would be avoided only if the resource were not participating in the energy and ancillary services markets may not be included, except in the case of a resource that has indicated in the submission of a Static De-List Bid that the resource will not be participating in the energy and ancillary services markets during the Capacity Commitment Period.

$CQ_{\text{Summer}}^{\text{kW}}$ = capacity seeking to de-list in kW. In no case shall this value exceed the resource's summer Qualified Capacity.

IMR = expected annual infra-marginal rents, in dollars. In the case of a resource that has indicated in the submission of a Static De-List Bid that the resource will not be participating in the energy and ancillary services markets during the Capacity Commitment Period, this value shall be calculated by subtracting all submitted cost data representing the cumulative expected cost of production (total expenses related to the production of energy, e.g. fuel, actual consumables such as chemicals and water, and, if quantified, incremental labor and maintenance) from the Existing Generating Capacity Resource's total ISO market revenues. In the case of a resource that has indicated in the submission of a Static De-List Bid that the resource will be participating in the energy and ancillary services markets during the Capacity Commitment Period, this value shall be \$0.00.

InfIndex = inflation index. $\text{infIndex} = (1 + i)^4$

Where: "i" is the most recent reported 4- Year expected inflation number published by the Federal Reserve Bank of Cleveland at the beginning of the qualification period. The specific value to be used shall be specified by the ISO and available to the Lead Market Participant.

III.13.1.2.3.2.1.2.B Permanent De-List Bid and Retirement De-List Bid Net Present Value of Expected Cash Flows.

The Lead Market Participant for an Existing Capacity Resource that submits a Permanent De-List Bid or Retirement De-List Bid that is to be reviewed by the Internal Market Monitor shall report all expected costs, revenues, prices, discount rates and capital expenditures in a manner and format specified by the Internal Market Monitor, and may supplement this information with other evidence. The Internal Market Monitor will review the Lead Market Participant's submitted data to ensure that it is consistent with overall market conditions and reflects expected values.

The Internal Market Monitor will adjust any data that are inconsistent with overall market conditions or do not reflect expected values. The Internal Market Monitor shall enter all relevant expected costs, revenues, prices, discount rates and capital expenditures into a capital budgeting model and shall determine the net present value of the Existing Capacity Resource's expected cash flows as follows:

The net present value of the Existing Capacity Resource's expected cash flows is equal to (i) the net present value of the Existing Capacity Resource's net annual expected cash flows over the resource's remaining economic life (as determined pursuant to Section III.13.1.2.3.2.1.2.C) plus the net present value of the resource's expected terminal value, using the resource's discount rate, divided by (ii) the product of the resource's Qualified Capacity (in kilowatts) and 12 months.

The Existing Capacity Resource's net annual expected cash flow for the first Capacity Commitment Period of the resource's remaining economic life is the resource's expected annual net operating profit excluding expected capacity revenues less its expected capital expenditures in the Capacity Commitment Period.

The Existing Capacity Resource's net annual expected cash flow for each of the subsequent Capacity Commitment Periods of the resource's remaining economic life is the resource's expected annual net operating profit less its expected capital expenditures in the Capacity Commitment Period.

Where:

Expected net operating profit, in dollars, is the Lead Market Participant's expected annual profit that might otherwise be avoided or not accrued if the resource were not subject to the obligations of a listed capacity resource during the Capacity Commitment Period. Expected labor, maintenance, taxes, insurance, administrative and other normal expenses that can be avoided or not incurred if the resource is retired or permanently de-listed may be included. Service of debt is not an avoidable cost and may not be included.

Expected capacity revenues, in dollars, are the forecasted annual expected capacity revenues based on the Lead Market Participant's forecasted expected capacity prices for each of the subsequent Capacity Commitment Periods of the resource's remaining economic life. The Lead Market Participant shall provide the Internal Market Monitor with documentation supporting the forecasted expected capacity prices. The supporting documentation must include a detailed description and sources of the Lead Market

Participant's assumptions about expected resource additions, resource retirements, estimated Installed Capacity Requirements, estimated Local Sourcing Requirements, expected market conditions, and any other assumptions used to develop the forecasted expected capacity price in each Capacity Commitment Period.

If the Internal Market Monitor determines the Lead Market Participant has not provided adequate supporting documentation for the forecasted expected capacity prices, the Internal Market Monitor will replace the Lead Market Participant's forecasted expected capacity prices with the Internal Market Monitor's estimate thereof in each of the subsequent Capacity Commitment Periods of the resource's remaining economic life.

Expected capital expenditures, in dollars, are the Lead Market Participant's expected capital investments that might otherwise be avoided or not incurred if the resource were not subject to the obligations of a listed capacity resource during the Capacity Commitment Periods.

Expected terminal value, in dollars, for resources with five years or less of remaining economic life, is the Lead Market Participant's expected revenue less expected costs associated with retiring or permanently de-listing the resource. For resources with more than five years of remaining economic life, the expected terminal value in the fifth year of the evaluation period is the Lead Market Participant's expected revenue less expected costs associated with retiring or permanently de-listing the resource at the end of the resource's economic life plus the net present value of the Existing Capacity Resource's net annual expected cash flows from the sixth year of the evaluation period through the end of the resource's remaining economic life, using the resource's discount rate.

Discount rate is a value reflecting the Lead Market Participant's weighted average cost of capital for the Existing Capacity Resource adjusted to reflect the risk to cash flows calculated pursuant to the net present value of expected cash flows analysis in this Section III.13.1.2.3.2.1.2.B.

The Lead Market Participant shall provide the Internal Market Monitor with documentation supporting the weighted average cost of capital for the Existing Capacity Resource adjusted for risk.

The supporting documentation must include a detailed description and sources of the Lead Market Participant's assumptions associated with the cost of capital, risks and any other assumptions used to develop the weighted average cost of capital for the Existing Capacity Resource adjusted for risk.

If the Internal Market Monitor determines the Lead Market Participant has not provided adequate

supporting documentation for the weighted average cost of capital for the Existing Capacity Resource adjusted for risk, the Lead Market Participant has included risks not associated with cash flows calculated pursuant to the net present value of expected cash flows analysis in this Section III.13.1.2.3.2.1.2.B or the Lead Market Participant has submitted costs, revenues, capital expenditures or prices that are not reflective of expected values, the Internal Market Monitor will replace the Lead Market Participant's discount rate with a value determined by the Internal Market Monitor.

III.13.1.2.3.2.1.2.C Permanent De-List Bid and Retirement De-List Bid Calculation of Remaining Economic Life.

The Internal Market Monitor shall calculate the Existing Capacity Resource's remaining economic life, using evaluation periods ranging from one to five years. For each evaluation period, the Internal Market Monitor will calculate the net present value of (a) the annual expected net operating profit minus annual expected capital expenditures assuming the Capacity Clearing Price for the first year is equal to the Forward Capacity Auction Starting Price and (b) the expected terminal value of the resource at the end of the given evaluation period. The economic life is the maximum evaluation period in which a resource's net present value is non-negative. However, effective April 9, 2020, beginning with the sixteenth Forward Capacity Auction, the economic life is the evaluation period in which a resource's net present value is maximized.

III.13.1.2.3.2.1.3. Expected Capacity Performance Payments.

The Lead Market Participant for an Existing Capacity Resource that submits a Static De-List Bid or an Export Bid, Permanent De-List Bid, or Retirement De-List Bid at or above the Dynamic De-List Bid Threshold that is to be reviewed by the Internal Market Monitor shall also provide documentation separately detailing the expected Capacity Performance Payments for the resource. This documentation must include expectations regarding the applicable Capacity Balancing Ratio, the number of hours of reserve deficiency, and the resource's performance during reserve deficiencies.

III.13.1.2.3.2.1.4. Risk Premium.

The Lead Market Participant for an Existing Capacity Resource that submits a Static De-List Bid, or an Export Bid at or above the Dynamic De-List Bid Threshold that is to be reviewed by the Internal Market Monitor shall also provide documentation separately detailing any risk premium included in the bid. This documentation should address all components of physical and financial risk reflected in the bid, including, for example, catastrophic events, a higher than expected amount of reserve deficiencies, and

performing scheduled maintenance during reserve deficiencies. Any risk that can be quantified and analytically supported and that is not already reflected in the formula for net going forward costs described in Section III.13.1.2.3.2.1.2.A may be included in this risk premium component. In support of the resource's risk premium, the Lead Market Participant may also submit an affidavit from a corporate officer attesting that the risk premium submitted is the minimum necessary to ensure that the overall level of risk associated with the resource's participation in the Forward Capacity Market is consistent with the participant's corporate risk management practices.

III.13.1.2.3.2.1.5. Opportunity Costs.

To the extent that an Existing Capacity Resource submitting a Static De-List Bid or an Export Bid, Permanent De-List Bid or Retirement De-List Bid at or above the Dynamic De-List Bid Threshold has additional opportunity costs that are not reflected in the net going forward costs, net present value of expected cash flows, expected Capacity Performance Payments, discount rate, or risk premium components of the bid, the Lead Market Participant must include in the Existing Capacity Qualification Package evidence supporting such costs. Opportunity costs associated with major repairs necessary to restore decreases in capacity as described in Section III.13.1.2.2.4, capital projects required to operate the plant as a capacity resource or other uses of the resource shall be considered, provided such costs are substantiated by evidence of a repair plan, documented business plan and fundamental market analysis, or other independent and transparent trading index or indices as applicable. Substantiation of opportunity costs relying on sales in reconfiguration auctions or risk aversion premiums shall not be considered sufficient justification.

III.13.1.2.3.2.2. [Reserved.]

III.13.1.2.3.2.3. Administrative Export De-List Bids.

The Internal Market Monitor shall review each Administrative Export De-List Bid associated with a multi-year contract entered into prior to April 30, 2007 in the first Forward Capacity Auction in which it clears. An Administrative Export De-List Bid shall be rejected if the Internal Market Monitor determines that the bid may be an attempt to manipulate the Forward Capacity Auction, and the matter will be referred to the Commission in accordance with the protocols set forth in Appendix A to the Commission's Market Monitoring Policy Statement (111 FERC ¶ 61,267 (2005)).

III.13.1.2.3.2.4. Static De-List Bids for Reductions in Ratings Due to Ambient Air Conditions.

A Lead Market Participant may submit a Static De-List Bid for up to the megawatt amount that the Lead Market Participant expects will not be physically available due to the difference between the summer Qualified Capacity at 90 degrees and the expected rating of the resource at 100 degrees. The ISO shall verify during the qualification process that the rating is accurate. Such Static De-List Bids may be entered into the Forward Capacity Market at prices up to and including the Forward Capacity Auction Starting Price, subject to validation of the physical limit. Static De-List Bids for reductions in ratings due to ambient air conditions shall not be subject to the review described in Section III.13.1.2.3.2 and need not include documentation for that purpose.

III.13.1.2.3.2.5. Static De-List Bid Incremental Capital Expenditure Recovery Schedule.

Except as described below, the Internal Market Monitor shall review all Static De-List Bids using the following cost recovery schedule for incremental capital expenditures, which assumes an annual pre-tax weighted average cost of capital of 10 percent.

Age of Existing Resource (years)	Remaining Life (years)	Annual Rate of Capital Cost Recovery
1 to 5	30	0.106
6 to 10	25	0.110
11 to 15	20	0.117
16 to 20	15	0.131
21 to 25	10	0.163
25 plus	5	0.264

A Market Participant may request that a different pre-tax weighted average cost of capital be used to determine the resource's annual rate of capital cost recovery by submitting the request, along with supporting documentation, in the Existing Capacity Qualification Package. The Internal Market Monitor shall review the request and supporting documentation and may, at its sole discretion, replace the annual rate of capital cost recovery from the table above with a resource-specific value based on an adjusted pre-tax weighted average cost of capital. If the Internal Market Monitor uses an adjusted pre-tax weighted average cost of capital for the resource, then the resource's annual rate of capital cost recovery will be determined according to the following formula:

Cost Of Capital

$$(1 - (1 + \text{CostOfCapital})^{-\text{RemainingLife}})$$

Where:

Cost Of Capital = the adjusted pre-tax weighted average cost of capital.

Remaining Life = the remaining life of the existing resource, based on the age of the resource, as indicated in the table above.

III.13.1.2.4. Retirement Determination Notification for Existing Capacity and Qualification Determination Notification for Existing Capacity.

(a) No later than five Business Days before the Existing Capacity Qualification Deadline, the ISO shall send notification to the Lead Market Participant that submitted each Permanent De-List Bid and Retirement De-List Bid concerning the result of the Internal Market Monitor's review conducted pursuant to Section III.13.1.2.3.2. This retirement determination notification shall not include the results of the reliability review pursuant to Sections III.13.1.2.3.1.5.1 or III.13.2.5.2.5.

(b) No later than 127 days before the Forward Capacity Auction, the ISO shall send notification to the Lead Market Participant that submitted each Static De-List Bid and Export Bid concerning the result of the Internal Market Monitor's de-list bid review conducted pursuant to Section III.13.1.2.3.2. The qualification determination shall not include the results of the reliability review pursuant to Section III.13.2.5.2.5. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the ISO shall send notification to the Lead Market Participant that submitted each Static De-List Bid and Export Bid concerning the result of the Internal Market Monitor's de-list bid review conducted pursuant to Section III.13.1.2.3.2 no later than October 12, 2023. The qualification determination shall not include the results of the reliability review pursuant to Section III.13.2.5.2.5.

III.13.1.2.4.1. Participant-Elected Retirement or Conditional Treatment.

No later than five Business Days after the issuance by the ISO of the retirement determination notification described in Section III.13.1.2.4(a), a Lead Market Participant that submitted a Permanent De-List Bid or Retirement De-List Bid may make an election pursuant to Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b). If the Lead Market Participant does not make an election pursuant to Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b), the prices provided by the Internal Market Monitor in the retirement determination notifications shall be the finalized prices used in the Forward Capacity Auction as described in Section III.13.2.3.2(b) (unless otherwise directed by the Commission).

(a) A Lead Market Participant may elect to retire the resource, or portion thereof, for which it has submitted a Permanent De-List Bid or Retirement De-List Bid. The capacity associated with a Permanent De-List Bid or Retirement De-List Bid subject to this election will not be subject to reliability review and will be retired pursuant to Section III.13.2.5.2.5.3(a); provided, however, that when making the retirement election pursuant to this Section III.13.1.2.4.1(a) the Lead Market Participant may opt to have the resource reviewed for reliability pursuant to Section III.13.1.2.3.1.5.1, in which case the Lead Market Participant may have the opportunity (but will not be obligated) to provide capacity from the resource if the ISO determines that the resource is needed for reliability reasons, as described in Section III.13.1.2.3.1.5.1(d).

(b) A Lead Market Participant may elect conditional treatment for the Permanent De-List Bid or Retirement De-List Bid. The capacity associated with a Permanent De-List Bid or Retirement De-List Bid subject to this election will be treated as described in Section III.13.2.3.2(b)(ii), Section III.13.2.5.2.1, and Section III.13.2.5.2.5.3; provided, however, that in making this election the Lead Market Participant may opt to have the resource reviewed for reliability pursuant to Section III.13.1.2.3.1.5.1, in which case the Lead Market Participant may have the opportunity (but will not be obligated) to provide capacity from the resource if the ISO determines that the resource is needed for reliability reasons, as described in Section III.13.1.2.3.1.5.1(d).

III.13.1.2.5. Optional Existing Capacity Qualification Package for New Generating Capacity Resources Previously Counted as Capacity.

A resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2 (resources previously counted as capacity resources) may elect to submit an Existing Capacity Qualification Package in addition to the New Capacity Show of Interest Form and New Capacity Qualification Package that it is required to submit pursuant to Section III.13.1.1.2. The bids contained in an Existing Capacity Qualification Package submitted pursuant to this Section III.13.1.2.5 must clearly indicate which New Generating Capacity Resource the Existing Capacity Qualification Package is associated with, and if accepted in accordance with Section III.13.1.2.3, would only be entered into the Forward Capacity Auction where: (i) the new resource is not accepted for participation in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.2; or (ii) no offer from that New Generating Capacity Resource clears in the Forward Capacity Auction, as described in Section III.13.2.3.2(e). An Existing Capacity Qualification Package

submitted pursuant to this Section III.13.1.2.5 must conform in all other respects to the requirements of this Section III.13.1.2.

III.13.1.3. Import Capacity.

The qualification requirements for import capacity shall depend on whether the import capacity is an Existing Import Capacity Resource or a New Import Capacity Resource. Both Existing Import Capacity Resources and New Import Capacity Resources clearing in the Forward Capacity Auction must be backed by one or more External Resources or by an external Control Area throughout the relevant Capacity Commitment Period. An external demand resource may not be an Existing Import Capacity Resource or a New Import Capacity Resource. External nodes shall be established and mapped to Capacity Zones pursuant to the provisions in Attachment K to Section II of the Transmission, Markets and Services Tariff.

An Elective Transmission Upgrade with an Interconnection Request for Capacity Network Import Interconnection Service under Schedule 25 of Section II of the Transmission, Markets and Services Tariff shall be included in the FCM ~~(1)~~ after it has established a contractual association with an Import Capacity Resource and that Import Capacity Resource has met the Forward Capacity Market qualification requirements. ~~or (2) after it has met the requirements of an Elective Transmission Upgrade with Long Lead Time Facility treatment pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff.~~ An external node for such an Elective Transmission Upgrade will be modeled for participation in the Forward Capacity Market after the Import Capacity Resource meets the requirements to participate in the FCA. The Qualified Capacity of an Import Capacity Resource associated with an Elective Transmission Upgrade shall not exceed the Elective Transmission Upgrade's Capacity Network Import Capability specified in its Capacity Network Import Interconnection Service Interconnection Request. ~~In order for an Elective Transmission Upgrade to maintain its Capacity Network Import Interconnection Service, an associated Import Capacity Resource must meet the Forward Capacity Market qualification requirements and offer into each Forward Capacity Auction. Otherwise, the Capacity Network Import Interconnection Service will revert to Network Import Interconnection Service for the portion of the Capacity Network Import Interconnection Service for which no Import Capacity Resource is offered into the Forward Capacity Auction and the Elective Transmission Upgrade's Interconnection Agreement will be revised.~~ The provisions in Sections III.13.1.3.5.4, permitting a Capacity Commitment Period Election, and in Section III.13.1.3.5.8, permitting a rationing election, shall apply to a New Import Capacity Resource associated with an Elective Transmission Upgrade seeking to reestablish Capacity Network Import Interconnection Service if the threshold to be treated as a new resource in Section

III.13.1.1.1.4 is met. If the threshold to be treated as a new increment in Section III.13.1.1.1.3 is met, only the increment will be eligible for the provisions in Sections III.13.1.3.5.4, permitting a Capacity Commitment Period Election, and in Section III.13.1.3.5.8, permitting a rationing election.

III.13.1.3.1. Definition of Existing Import Capacity Resource.

Capacity associated with a multi-year contract entered into before the Existing Capacity Retirement Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for a period including the whole Capacity Commitment Period, or capacity from an External Resource that is owned or directly controlled by the Lead Market Participant and which is committed for at least two whole consecutive Capacity Commitment Periods by the Lead Market Participant in the New Capacity Qualification Package, shall participate in the Forward Capacity Auction as an Existing Import Capacity Resource, except that if that Existing Import Capacity Resource has not cleared in a previous Forward Capacity Auction, then the import capacity shall participate in the Forward Capacity Auction as a New Import Capacity Resource.

III.13.1.3.2. Qualified Capacity for Existing Import Capacity Resources.

The summer Qualified Capacity and winter Qualified Capacity of an Existing Import Capacity Resource shall be based on the data provided to the ISO during the qualification process, subject to ISO review and verification.

The qualified capacity for the Existing Import Capacity Resources associated with the VJO and NYPA contracts listed in Section III.13.1.3.3.A(c) as of the Capacity Commitment Period beginning June 1, 2014 shall be equal to the lesser of the stated amount in Section III.13.1.3.3.A(c) or the median amount of the energy delivered from the Existing Import Capacity Resource during the New England system coincident peak over the previous five Capacity Commitment Periods at the time of qualification.

III.13.1.3.3.A Qualification Process for Existing Import Capacity Resources that are not associated with an Elective Transmission Upgrade with Capacity Network Import Interconnection Service.

Existing Import Capacity Resources shall be subject to the same qualification process as Existing Generating Capacity Resources, as described in Section III.13.1.2.3, except as follows:

- (a) The Qualified Capacity shall be the lesser of the multi-year contract values as documented in the new resource qualification determination notification and the capacity clearing in the Forward Capacity Auction to which the new resource qualification determination notification applied.

(b) The rationing election described in Section III.13.1.2.3.1 shall not apply.

(c) The Existing Import Capacity Resources associated with contracts listed in the table below may qualify to receive the treatment described in Section III.13.2.7.3A for the duration of the contracts as listed. For each Forward Capacity Auction after the first Forward Capacity Auction, in order for an Existing Import Capacity Resource associated with a contract listed below to qualify for the treatment described in Section III.13.2.7.3A, no later than 10 Business Days prior to the Existing Capacity Retirement Deadline, the Market Participant submitting the Existing Import Capacity Resource must also submit to the ISO documentation verifying that the contract will remain in effect throughout the Capacity Commitment Period and that it has not been amended. For the first Forward Capacity Auction, Existing Import Capacity Resources associated with contracts listed in the table below are qualified to receive the treatment described in Section III.13.2.7.3A.

Contract Description	MW	Contract End Date
NYPA: NY — NE: CMEEC	13.2	8/31/2025
NYPA: NY — NE: MMWEC	53.3	8/31/2025
NYPA: NY — NE: Pascoag	2.3	8/31/2025
NYPA: NY— NE: VELCO	15.3	8/31/2025
	84.1	
VJO: Highgate — NE	Up to 225	10/31/2016
VJO: Highgate — NE (extension) (beginning 11/01/2016)	Up to 6	October 2020
VJO: Phase I/II — NE	Up to 110	10/31/2016

(d) In addition to the review described in Section III.13.1.2.3.2, the Internal Market Monitor shall review each bid from Existing Import Capacity Resources. A bid from an Existing Import Capacity Resource shall be rejected if the Internal Market Monitor determines that the bid may be an attempt to manipulate the Forward Capacity Auction, and the matter will be referred to the Commission in accordance with the protocols set forth in Appendix A to the Commission's Market Monitoring Policy Statement (111 FERC ¶ 61,267 (2005)).

III.13.1.3.3.B. Qualification Process for Existing Import Capacity Resources that are associated with an Elective Transmission Upgrade with Capacity Import Interconnection Service.

Existing Import Capacity Resources associated with an Elective Transmission Upgrade with Capacity Import Interconnection Service pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff shall be subject to the same qualification process as Existing Generating Capacity Resources as described in Section III.13.1.2.3, except the Qualified Capacity shall be the lesser of the multi-year contract values as documented in the new resource qualification determination notification and the capacity clearing in the Forward Capacity Auction to which the new resource qualification determination notification applied.

III.13.1.3.4. Definition of New Import Capacity Resource.

Capacity not associated with a multi-year contract entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside the New England Control Area for the whole Capacity Commitment Period, but that meets the requirements of Section III.13.1.3.5.1, shall participate in the Forward Capacity Auction as a New Import Capacity Resource. For capacity associated with a multi-year contract entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside the New England Control Area for a period including the whole Capacity Commitment Period, or capacity from an External Resource that is owned or directly controlled by the Lead Market Participant and which is committed for at least two whole consecutive Capacity Commitment Periods by the Lead Market Participant in the New Capacity Qualification Package, if the import capacity has not cleared in a previous Forward Capacity Auction, then the import capacity shall participate in the Forward Capacity Auction as a New Import Capacity Resource.

III.13.1.3.5. Qualification Process for New Import Capacity Resources.

The qualification process for a New Import Capacity Resource, whether backed by a new External Resource, by one or more existing External Resources, or by an external Control Area, shall be the same as the qualification process for a New Generating Capacity Resource, as described in Section III.13.1.1.2, except as follows:

III.13.1.3.5.1. Documentation of Import.

(a) For each New Import Capacity Resource, the Project Sponsor submitting the import capacity must also submit: (i) documentation of a one-year contract entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for the entire Capacity Commitment Period, including documentation of the MW value of the contract; (ii) documentation of a multi-year contract entered into before the New Capacity

Qualification Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for the contract period including the entire Capacity Commitment Period, including documentation of the MW value of the contract; (iii) proof of ownership or direct control over one or more External Resources that will be used to back the New Import Capacity Resource during the Capacity Commitment Period, including information to establish the summer and winter ratings of the resource(s) backing the import; or (iv) documentation for system-backed import capacity that the import capacity will be supported by the Control Area and that the energy associated with that system-backed import capacity will be afforded the same curtailment priority as that Control Area's native load. For each New Import Capacity Resource, the Project Sponsor must specify the interface over which the capacity will be imported. The Project Sponsor must indicate whether the import is associated with any investment in transmission that increases New England's import capability or is associated with an Elective Transmission Upgrade with an Interconnection Request for Capacity Network Import Interconnection Service pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff that has not yet achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff. The Project Sponsor must submit a contract confirming its association with the Elective Transmission Upgrade Interconnection Customer and the ISO will confirm that relationship. If the import will be backed by a single new External Resource, the Project Sponsor submitting the import capacity must also submit a general description of the project's equipment configuration, including a description of the resource technology type.

(b) To qualify for Capacity Commitment Periods prior to the Capacity Commitment Period associated with the Forward Capacity Auction for which the import capacity is qualifying, the Project Sponsor must submit documentation of one or more one-year contracts for each prior Capacity Commitment Period, entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for the entire Capacity Commitment Period, including documentation of the MW value of the contract(s); the Project Sponsor must also satisfy the relevant requirements of Sections III.13.1.3.5.1(a) , III.13.1.3.5.2, III.13.1.9, and III.13.3.1.1.

III.13.1.3.5.2. Import Backed by Existing External Resources.

If the New Import Capacity Resource will be backed by one or more External Resources existing at the time of the Forward Capacity Auction and the capacity will be imported over an interface that has achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule

(Section III.13.1.1.2.2.2) shall not apply, and the Project Sponsor shall instead submit a description of how the New Import Capacity Resource will meet its Capacity Supply Obligation in the Capacity Commitment Period(s) for which it seeks to qualify.

If the New Import Capacity Resource will be backed by one or more External Resources existing at the time of the Forward Capacity Auction and the capacity will be imported over an interface that has not achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule (Section III.13.1.1.2.2.2) shall apply in addition to the requirement that the Project Sponsor submit a description of how the New Import Capacity Resource will meet its Capacity Supply Obligation in the Capacity Commitment Period(s) for which it seeks to qualify.

The description must indicate specifically which External Resources will back the New Import Capacity Resource during the Capacity Commitment Period, and if those External Resources are not owned or controlled directly by the Project Sponsor, the description must include a commitment that the External Resources will have sufficient capacity that is not obligated outside the New England Control Area to fully satisfy the New Import Capacity Resource's potential Capacity Supply Obligation during the Capacity Commitment Period and demonstrate how that commitment will be met.

III.13.1.3.5.3. Imports Backed by an External Control Area.

If the New Import Capacity Resource will be backed by an external Control Area and the capacity will be imported over an interface that has achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule (Section III.13.1.1.2.2.2) shall not apply, and the Project Sponsor shall instead submit system load and capacity projections for the external Control Area showing sufficient excess capacity during the Capacity Commitment Period to back the New Import Capacity Resource.

If the New Import Capacity Resource will be backed by an external Control Area and the capacity will be imported over an Elective Transmission Upgrade and the capacity will be imported over an interface that has not achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule (Section III.13.1.1.2.2.2) shall apply in addition to the requirement that the Project Sponsor submit system load and capacity projections for the external Control Area showing sufficient excess

capacity during the Capacity Commitment Period to back the New Import Capacity Resource for the length of the multi-year contract.

III.13.1.3.5.3.1. Imports Crossing Intervening Control Areas.

The preceding rules define requirements associated with the import of capacity from a Control Area, or resources located in a Control Area, directly adjacent to the New England Control Area. Imports of capacity from a Control Area or resources located in a Control Area where such import crosses an intervening Control Area or Control Areas shall comply with the following additional requirements: (1) For imports crossing a single intervening Control Area, the Project Sponsor entering the import contract shall demonstrate, as detailed in the ISO New England Manuals, that the remote Control Area will afford the energy export to the adjacent intervening Control Area the same curtailment priority as its native load, that the adjacent intervening Control Area has procedures in place to explicitly recognize the linkage between the import and re-export of energy in support of the import contract, and that the energy export to the ISO will not be curtailed (except pro-rata with a curtailment of native load) so long as the linked import is flowing. (2) For imports crossing more than one intervening Control Area, in addition to the requirements above, the Project Sponsor entering the import contract shall demonstrate, as detailed in the ISO New England Manuals, by the New Capacity Qualification Deadline, that explicit market and operating procedures exist among the intervening Control Areas to ensure that the energy required to be delivered to the New England Control Area will be guaranteed the same curtailment priority as the intervening native loads, and that none of the intervening Control Areas will curtail the transaction except in conjunction with a curtailment of native load. (3) The Project Sponsor entering the import contract shall demonstrate that capacity it supplies to the New England Control Area will not be recalled or curtailed to satisfy the load of the external Control Area, or that the external Control Area in which it is located will afford New England Control Area load the same curtailment priority that it affords its own Control Area native load.

III.13.1.3.5.4. Capacity Commitment Period Election.

The provisions regarding Capacity Commitment Period election (Section III.13.1.1.2.2.4) shall only apply to a New Import Capacity Resource associated with an Elective Transmission Upgrade with a Capacity Network Import Interconnection Service Interconnection Request. All other New Import Capacity Resources clearing in the Forward Capacity Auction shall have a Capacity Supply Obligation and shall receive payments only for the one-year Capacity Commitment Period associated with that Forward Capacity Auction.

III.13.1.3.5.5. Interconnection Review~~Initial Interconnection Analysis~~.

The provisions regarding ~~initial interconnection analysis~~ interconnection review (Section III.13.1.1.2.3, Section III.13.1.1.2.3A and III.13.1.1.2.3B) shall not apply unless the capacity will be imported over an Elective Transmission Upgrade pursuing Capacity Network Import Interconnection Service pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff that has not achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff.

III.13.1.3.5.5.A. Offer Information.

(a) A New Import Capacity Resource that is not subject to the pivotal supplier test in Section III.A.23 is subject to the same offer information submission requirements for a New Generating Capacity Resource that are described in Section III.13.1.1.2.2.3.

(b) A New Import Capacity Resource that is subject to the pivotal supplier test in Section III.A.23 and seeks to specify a price below which it would not accept a Capacity Supply Obligation for that resource, or a portion thereof, that is at or above the Dynamic De-List Bid Threshold must submit the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and documentation and information supporting such lowest price, which should include the documentation and information listed in Section III.13.1.1.2.2.3(a) and the expected costs of purchasing power outside the New England Control Area (including transaction costs and supported by forward power price index values or a power price forecast for the applicable Capacity Commitment Period), expected transmission costs outside the New England Control Area, and expected transmission costs associated with importing to the New England Control Area, and may also include reasonable opportunity costs and risk adjustments. The offer information may be submitted in the form of a curve (up to five price-quantity pairs) associated with a specific New Import Capacity Resource. The curve may in no case increase the quantity offered as the price decreases. Each price is subject to review by the Internal Market Monitor pursuant to Section III.A.21.4 and must include the additional documentation described in that Section.

III.13.1.3.5.6. Review by Internal Market Monitor of Offers from New Import Capacity Resources.

In addition to the review described in Section III.A.21, the Internal Market Monitor shall review each offer from New Import Capacity Resources. An offer from a New Import Capacity Resource shall be rejected if the Internal Market Monitor determines that the bid may be an attempt to manipulate the

Forward Capacity Auction, and the matter will be referred to the Commission in accordance with the protocols set forth in Section III.A.19 of Market Rule 1.

III.13.1.3.5.7. Qualification Determination Notification for New Import Capacity Resources.

For New Import Capacity Resources, the qualification determination notification described in Section III.13.1.1.2.8 shall be modified to reflect the differences in the qualification process described in this Section III.13.1.3.5.

No later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.1.2.8, a Lead Market Participant with a New Import Capacity Resource that is subject to the pivotal supplier test in Section III.A.23 and that submitted a request to submit offers in the Forward Capacity Auction pursuant to Section III.13.1.3.5.5.A(b) may: (a) lower the requested offer price of any price-quantity pair submitted to the ISO, provided that the revised price is greater than or equal to the Dynamic De-List Bid Threshold, or (b) withdraw any price-quantity pair of a requested offer price.

III.13.1.3.5.8. Rationing Election.

New Import Capacity Resources are subject to rationing except New Import Capacity Resource associated with an Elective Transmission Upgrade with a Capacity Network Import Interconnection Service Interconnection Request, which are eligible for the rationing election described in Section III.13.1.1.2.2.3(b).

III.13.1.4. Demand Capacity Resources.

To participate in a Forward Capacity Auction as a Demand Capacity Resource, a resource must meet the requirements of this Section III.13.1.4. Each Demand Capacity Resource shall be a minimum of 100 kW. An Active Demand Capacity Resource comprises one or more Demand Response Resources located in a single Dispatch Zone. An On-Peak Demand Resource or Seasonal Peak Demand Resource comprises one or more Assets located in a single Load Zone. An On-Peak Demand Resource or Seasonal Peak Demand Resource may consist of Load Management measures, Distributed Generation measures, or a combination thereof, or may consist solely of Energy Efficiency measures. A Demand Capacity Resource may include an end-use customer facility with a Net Supply Capability of 5 MW or more only if the facility's Net Supply Capability does not exceed its Maximum Facility Load. Demand Capacity Resources must comply with all applicable federal, state, and local regulatory, siting, and tariff requirements, including

interconnection tariff requirements related to siting, interconnection, and operation of the Demand Capacity Resource. Demand Capacity Resources are not permitted to submit import or export bids or Administrative Export De-List Bids.

III.13.1.4.1. Definition of New Demand Capacity Resource.

A New Demand Capacity Resource is an Active Demand Capacity Resource that has not cleared in a previous Forward Capacity Auction, and an On-Peak Demand Resource consisting of measures that have not been in service prior to the Existing Capacity Qualification Deadline of the applicable Forward Capacity Auction, or a Seasonal Peak Demand Resource consisting of measures that have not been in service prior to the Existing Capacity Qualification Deadline of the applicable Forward Capacity Auction. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), a New Demand Capacity Resource is an Active Demand Capacity Resource that has not cleared in a previous Forward Capacity Auction, and an On-Peak Demand Resource or Seasonal Peak Demand Resource consisting of measures that have not been in service prior to June 5, 2023. A Demand Capacity Resource that has previously been defined as an Existing Demand Capacity Resource shall be considered a New Demand Capacity Resource if it meets one of the conditions listed in Section III.13.1.1.1.2.

III.13.1.4.1.1. Qualification Process for New Demand Capacity Resources.

For Forward Capacity Auctions a New Demand Capacity Resource shall have a summer Qualified Capacity and winter Qualified Capacity based on the resource's estimated demand reduction value as submitted and reviewed pursuant to this Section III.13.1.4. The FCA Qualified Capacity for a New Demand Capacity Resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

(a) For a resource to qualify as a New Demand Capacity Resource, the resource's Project Sponsor must make two separate submissions to the ISO: First, the Project Sponsor must submit estimated demand reduction values and supporting information in the New Demand Capacity Resource Show of Interest Form as described in Section III.13.1.4.1.1.1. Second, the Project Sponsor must submit a New Demand Capacity Resource Qualification Package as described in Section III.13.1.4.1.1.2.

(b) For a resource to qualify as a New Demand Capacity Resource that is an On-Peak Demand Resource or a Seasonal Peak Demand Resource, the Project Sponsor must in addition submit, as part of the New Demand Capacity Resource Qualification Package, a Measurement and Verification Plan providing the documentation, analysis, studies and methodologies used to support the estimates described

in this Section III.13.1.4.1.1, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.1.1.1. New Demand Capacity Resource Show of Interest Form.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource, the Project Sponsor must submit to the ISO a New Demand Capacity Resource Show of Interest Form as described in this Section III.13.1.4.1.1.1 during the New Capacity Show of Interest Submission Window, as described in Section III.13.1.10. A New Demand Capacity Resource Show of Interest Form for a resource composed of Energy Efficiency measures must represent a resource with a new and unique resource identification number. The ISO may waive the submission of any information not required for evaluation of a project.

A completed New Demand Capacity Resource Show of Interest Form shall include, but is not limited to, the following information: project name; Load Zone within which the Demand Capacity Resource will be located; the Dispatch Zone within which an Active Demand Capacity Resource will be located; estimated summer and winter demand reduction values (MW) per measure and/or per customer facility (measured at the customer meter and not including losses); estimated total summer and winter demand reduction value of the Demand Capacity Resource (for an Active Demand Capacity Resource, this estimate must be consistent with the baseline calculation methodology in Section III.8.2); supporting documentation (e.g., engineering estimates or documentation of verified savings from comparable projects) to substantiate the reasonableness of the estimated demand reduction values; Demand Capacity Resource type (Active Demand Capacity Resource, On-Peak Demand Resource, or Seasonal Peak Demand Resource); brief Demand Capacity Resource project description including measure type (i.e., Energy Efficiency, Load Management, and/or Distributed Generation); types of facilities at which the measures will be implemented; customer classes and end-uses served; the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the Project Sponsor's New Demand Capacity Resource Qualification Package has achieved its full demand reduction value; ISO Market Participant status and ISO customer identification (if applicable); status under Schedules 22 or 23 of the Transmission, Markets and Services Tariff (if applicable); project/technical and credit/financial contacts; for individual Distributed Generation projects and Demand Capacity Resource projects from a single facility with a demand reduction value equal to or greater than 5 MW, the Pnode and service address at which the end-use facility is located; capability and experience of the Project Sponsor.

III.13.1.4.1.1.2. New Demand Capacity Resource Qualification Package.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource, the Project Sponsor must submit a New Demand Capacity Resource Qualification Package no later than the New Capacity Qualification Deadline. The New Demand Capacity Resource Qualification Package shall conform to the requirements of this Section

III.13.1.4.1.1.2. The ISO may waive the submission of any information not required for evaluation of a project.

III.13.1.4.1.1.2.1. Source of Funding.

The Project Sponsor must provide in the New Demand Capacity Resource Qualification Package the source of funding, which includes, but is not limited to, the following: the source(s) of public benefits funding or private financing, or a funding plan supplemented by information on how previous projects were funded; and a completed ISO credit application.

III.13.1.4.1.1.2.2. Measurement and Verification Plan.

For On-Peak Demand Resources and Seasonal Peak Demand Resources, the Project Sponsor must provide in the New Demand Capacity Resource Qualification Package a Measurement and Verification Plan that complies with the ISO's measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.1.1.2.3. Customer Acquisition Plan.

(a) A Project Sponsor with more than a single customer must include in the New Demand Capacity Resource Qualification Package a description of its plan to acquire customers that includes, but is not limited to, the following information: a description of proposed customer market; the estimated size of target market and supporting documentation; a marketing plan with supporting documentation describing the manner in which customers will be recruited; and evidence supporting the viability of the marketing plan.

(b) A Project Sponsor for a New Demand Capacity Resource that includes one or more end-use customer facilities with behind-the-meter generation must include in the New Demand Capacity Resource Qualification Package information demonstrating that each facility's Net Supply Capability will be less than 5 MW or less than or equal to the facility's Maximum Facility Load.

III.13.1.4.1.1.2.4. Critical Path Schedule for a Demand Capacity Resource with a Demand Reduction Value of at Least 5 MW at a Single Retail Delivery Point.

The Project Sponsor of a Demand Capacity Resource with a demand reduction value of at least 5 MW at a single Retail Delivery Point shall provide in the New Demand Capacity Resource Qualification Package a critical path schedule as set forth in Section III.13.1.1.2.2.2.

III.13.1.4.1.1.2.5. Critical Path Schedule for a Demand Capacity Resource with All Retail Delivery Points Having a Demand Reduction Value of Less Than 5 MW.

The Project Sponsor of a Demand Capacity Resource with all Retail Delivery Points having a demand reduction value of less than 5 MW shall provide in the New Demand Capacity Resource Qualification Package a critical path schedule comprised of a delivery schedule of the share of total offered demand reduction value achieved as of target dates, as follows: (i) the cumulative percentage of total demand reduction value achieved on target date 1 occurring five weeks prior to the first annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; (ii) the cumulative percentage of total demand reduction value achieved on target date 2 occurring five weeks prior to the second annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; and (iii) target date 3 which is the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the Project Sponsor's New Demand Capacity Resource Qualification Package has achieved its full demand reduction value, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100% of total demand reduction value must be complete.

III.13.1.4.1.1.2.6. [Reserved.]

III.13.1.4.1.1.2.7. Capacity Commitment Period Election.

Project Sponsors shall be required to specify whether they are making the election set forth in this Section III.13.1.4.1.1.2.7 for each Forward Capacity Auction up to and including the auction held in February 2021 for the June 1, 2024 through May 31, 2025 Capacity Commitment Period, and no election shall be permitted thereafter.

For each Forward Capacity Auction occurring up to and including the February 2021 auction, in the New Demand Capacity Resource Qualification Package, the Project Sponsor must specify whether, if its New Demand Capacity Resource offer clears in the Forward Capacity Auction, the associated Capacity Supply Obligation and Capacity Clearing Price (indexed for inflation) shall continue to apply after the Capacity

Commitment Period associated with the Forward Capacity Auction in which the offer clears, for up to six additional and consecutive Capacity Commitment Periods, in whole Capacity Commitment Period increments only. If no such election is made in the New Demand Capacity Resource Qualification Package, the Capacity Supply Obligation and Capacity Clearing Price associated with the New Demand Capacity Resource offer shall apply only for the Capacity Commitment Period associated with the Forward Capacity Auction in which the New Demand Capacity Resource offer clears. If the Project Sponsor elects to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, then the Project Sponsor may not change the Demand Capacity Resource type as long as that Capacity Supply Obligation and Capacity Clearing Price continue to apply. If an offer from a New Demand Capacity Resource clears in the Forward Capacity Auction, the capacity associated with the resulting Capacity Supply Obligation may not be subject to any type of de-list or export bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply pursuant to this Section III.13.1.4.1.1.2.7.

III.13.1.4.1.1.2.8. Offer Information from New Demand Capacity Resources.

(a) For a New Demand Capacity Resource that does not satisfy any of the conditions described in Sections III.A.21.1.1 or III.A.21.1.2 based on the information submitted at the time of the New Demand Capacity Resource Qualification Package, and for which the Project Sponsor does not provide a Load-Side Relationship Certification described in Section III.A.21.1.3, the Project Sponsor must include in the New Demand Capacity Resource Qualification Package the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and sufficient documentation and information for a buyer-sider market power review pursuant to Section III.A.21.2. Such documentation and information includes all financial estimates, projected revenues, and cost projections for the project, including the project's pro-forma financing support data and anticipated out-of-market revenues (as defined in Section III.A.21.3(b)(i)). For a New Demand Capacity Resource that has achieved commercial operation prior to the New Capacity Qualification Deadline, such documentation should also include all financial data of actual incurred capital costs, actual operating costs, and actual revenues since the date of commercial operation.

A Project Sponsor that submits a Load-Side Relationship Certification as part of the New Demand Capacity Resource Qualification Package pursuant to Section III.13.1.4.1.1.2.9 must be prepared to provide both (1) the lowest price at which the resource requests to offer capacity in the Forward Capacity

Auction and (2) the documentation and information described in this subsection (a), in the event that the ISO determines that the Load-Side Relationship Certification does not meet the requirements of Section III.A.21.1.3.

(b) The Project Sponsor for a New Demand Capacity Resource must indicate in the New Demand Capacity Resource Qualification Package if an offer from the New Demand Capacity Resource may be rationed. A Project Sponsor may specify a single MW quantity to which offers may be rationed. Without such indication, offers will only be accepted or rejected in whole. This rationing election shall apply for the entire Forward Capacity Auction.

III.13.1.4.1.1.2.9. Load-Side Interests.

If the Project Sponsor seeks to demonstrate one of the qualifying circumstances described in Section III.A.21.1.3 with regard to its New Demand Capacity Resource, the Project Sponsor must provide the Load-Side Relationship Certification in the New Demand Capacity Resource Qualification Package.

III.13.1.4.1.1.3. Initial Interconnection Review Analysis for Active Demand Capacity Resources.

For each New Demand Capacity Resource that is an Active Demand Capacity Resource, the ISO shall perform an analysis based on the information provided in the New Demand Capacity Resource Show of Interest Form to determine the amount of capacity that the resource could provide by the start of the associated Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that ~~because of deliverability impacts~~ because of overlapping interconnection impacts, such a New Demand Capacity Resource that is otherwise accepted for participation in the Forward Capacity Auction or interim reconfiguration auction process in accordance with the other provisions and requirements of this Section III.13.1 cannot deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then that New Demand Capacity Resource will not be accepted for participation in the Forward Capacity Auction, or the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

III.13.1.4.1.1.4. Consistency of the New Demand Capacity Resource Qualification Package and New Demand Capacity Resource Show of Interest Form.

The ISO shall review the Project Sponsor's New Demand Capacity Resource Qualification Package for consistency with its New Demand Capacity Resource Show of Interest Form. The New Demand Capacity Resource Qualification Package may not contain material changes relative to the New Demand Capacity Resource Show of Interest Form. A material change may include, but is not limited to the following: (i) a change in the designation of the Demand Capacity Resource type; (ii) a change in the Project Sponsor, subject to review by the ISO of the capability and experience of the new Project Sponsor; (iii) a change in the Load Zone within which the project is located, and a change in the Dispatch Zone within which the Active Demand Capacity Resource is located; (iv) a change in the total summer or winter demand reduction value of the project by more than 30 percent; (v) a change in the general type of measure being implemented (e.g., Energy Efficiency, Load Management, Distributed Generation); or (vi) a misrepresentation of the interconnection status of a Distributed Generation project.

III.13.1.4.1.1.5. Evaluation of New Demand Capacity Resource Qualification Materials.

The ISO shall review the information submitted by New Demand Capacity Resources and shall determine whether the information submitted complies with the requirements set forth in this Section III.13.1.4 and whether, based on the information provided, the Demand Capacity Resource is accepted for participation in the Forward Capacity Auction. In making these determinations, the ISO may consider, but is not limited to consideration of, the following:

- (a) whether the information submitted by New Demand Capacity Resources is accurate and contains all of the elements required by this Section III.13.1.4;
- (b) whether the critical path schedule submitted by New Demand Capacity Resources includes all necessary elements and is sufficiently developed;
- (c) whether the milestones in the critical path schedule submitted by New Demand Capacity Resources are reasonable and likely to be met;
- (d) whether, in the case of a resource previously counted as a capacity resource, the requirements for treatment as a New Demand Capacity Resource are satisfied; and
- (e) whether, in the case of a New Demand Capacity Resource that is an On-Peak Demand Resource or Seasonal Peak Demand Resource, the Measurement and Verification Plan complies with the ISO's

measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.1.1.6. Qualification Determination Notification for New Demand Capacity Resources.

For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the ISO shall send notification as required under this Section III.13.1.4.1.1.6 to Project Sponsors or Market Participants, as applicable, for each New Demand Capacity Resource no later than October 12, 2023. No later than 127 days prior to the relevant Forward Capacity Auction, the ISO shall send notification to Project Sponsors for each New Demand Capacity Resource indicating whether the New Demand Capacity Resource has been accepted for participation in the Forward Capacity Auction.

- (a) For a New Demand Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will specify the Demand Capacity Resource type and the Demand Capacity Resource's summer and winter Qualified Capacity, which shall be the ISO-determined summer and winter demand reduction value increased by average avoided peak transmission and distribution losses (that is, eight percent).
- (b) For a New Demand Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will provide the ISO's determination as to whether the New Demand Capacity Resource satisfies any of the conditions described in Section III.A.21.1 and the basis for such determination.
- (c) For a New Demand Capacity Resource accepted for participation in the Forward Capacity Auction and subject to buyer-side market power review pursuant to Section III.A.21.2, the notification will provide the Internal Market Monitor's determinations regarding whether the New Demand Capacity Resource's requested lowest offer price, submitted pursuant to Section III.13.1.4.1.1.2.8(a), must be mitigated, as described in Section III.A.21.2.3. The ISO shall not disclose to the Project Sponsor any information regarding the potential impact of any offer from the Project Sponsor on Capacity Clearing Prices.
- (d) For a New Demand Capacity Resource not accepted for participation in the Forward Capacity Auction, the notification will provide an explanation as to why the resource did not meet the requirements set forth in this Section III.13.1.4 and was not accepted.

III.13.1.4.2. Definition of Existing Demand Capacity Resources.

Demand Capacity Resources that previously have been in service and registered with the ISO, and which are not otherwise New Demand Capacity Resources, shall be Existing Demand Capacity Resources. Existing Demand Capacity Resources shall include and are limited to Demand Capacity Resources that have been in service and registered with the ISO to fulfill a Capacity Supply Obligation created by clearing in a past Forward Capacity Auction before the Existing Capacity Qualification Deadline of the applicable Forward Capacity Auction. Except as specified in this Section III.13.1.4, Existing Demand Capacity Resources shall be subject to the same qualification process as Existing Generating Capacity Resources, as described in Section III.13.1.2.3. Existing Demand Capacity Resources shall be subject to Section III.13.1.2.2.5.2. An On-Peak Demand Resource or Seasonal Peak Demand Resource may not include in its summer or winter demand reduction value an Energy Efficiency measure whose Measure Life will expire before the beginning of the applicable season of the associated Capacity Commitment Period.

III.13.1.4.2.A Qualified Capacity for Existing Demand Capacity Resources.

- (a) For Existing Demand Capacity Resources composed of Energy Efficiency measures, the summer (or winter, as applicable) Qualified Capacity shall equal the lesser of: (i) the sum of the summer (or winter, as applicable) demand reduction values of the installed Energy Efficiency measures as of the Existing Capacity Qualification Deadline (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to start of the applicable season of the relevant Capacity Commitment Period, and increased by average avoided peak transmission and distribution losses) and any summer (or winter, as applicable) capacity that has cleared in a Forward Capacity Auction and has not yet achieved FCM Commercial Operation (provided that such capacity is being monitored by the ISO pursuant to the provisions of Section III.13.3, is expected to achieve all its critical path schedule milestones prior to the start of the applicable season of the relevant Capacity Commitment Period, and for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy) and (ii) the amount of summer (or winter, as applicable) capacity that cleared in a Forward Capacity Auction as a New Demand Capacity Resource.

- (b) For Existing Demand Capacity Resources other than those composed of Energy Efficiency measures, the summer and winter Qualified Capacity shall equal the summer and winter demand reduction value, respectively, increased by average avoided peak transmission and distribution losses.

III.13.1.4.2.1. Qualified Capacity Notification for Existing Demand Capacity Resources.

(a) For each Existing Demand Capacity Resource, the ISO will notify the Resource's Lead Market Participant no later than 15 Business Days before the Existing Capacity Retirement Deadline of: the Demand Capacity Resource type; summer and winter Qualified Capacity; the Load Zone in which the Demand Capacity Resource is located; and, for Active Demand Capacity Resources, the Dispatch Zone in which the resource is located.

(b) If the Lead Market Participant believes that the ISO's assessment of the Qualified Capacity is inaccurate, the Market Participant must notify the ISO within five Business Days of receipt of the Qualified Capacity notification.

(c) If a Market Participant with an Existing On-Peak Demand Resource or Existing Seasonal Peak Demand Resource wishes to change its Demand Capacity Resource type, the Market Participant must submit an Updated Measurement and Verification Plan to reflect the change in its resource type. Updated Measurement and Verification Plans must be received by the ISO no later than five Business Days after receipt of the Qualified Capacity notification. Designation of the Demand Capacity Resource type may not be changed during the Capacity Commitment Period.

(d) A Market Participant with an Existing On-Peak Demand Resource or Existing Seasonal Peak Demand Resource may provide an Updated Measurement and Verification Plan as described in Section III.13.1.4.3.1.2 that complies with the ISO's measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals. Updated Measurement and Verification Plans must be received by the ISO no later than five Business Days after receipt of the Qualified Capacity notification.

(e) If an Existing Demand Capacity Resource is not submitting a Static De-List Bid, Permanent De-List Bid, or Retirement De-List Bid for the Forward Capacity Auction, then no further submissions or actions for that resource are necessary, and the resource shall participate in the Forward Capacity Auction as described in Section III.13.2.3.2(c) with Qualified Capacity as indicated in the ISO's notification.

III.13.1.4.2.2. Existing Demand Capacity Resource De-List Bids.

An Existing Demand Capacity Resource may submit a Permanent De-List Bid or Retirement De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.5 no later than the Existing Capacity Retirement

Deadline or a Static De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.1 no later than the Existing Capacity Qualification Deadline, provided, however, that no de-list bid shall be used as a mechanism to inappropriately qualify Assets associated with Existing Demand Capacity Resources as New Demand Capacity Resources.

III.13.1.4.3. Measurement and Verification Applicable to On-Peak Demand Resources and Seasonal Peak Demand Resources.

To demonstrate the demand reduction value of an On-Peak Demand Resource or Seasonal Peak Demand Resource, the Project Sponsor or Market Participant of such a resource participating in the Forward Capacity Auction, Capacity Supply Obligation Bilaterals, or reconfiguration auctions shall submit to the ISO the Measurement and Verification Documents in accordance with this Section III.13.1.4.3 and the ISO New England Manuals. The ISO shall review such Measurement and Verification Documents to determine whether they are consistent with the measurement and verification requirements set forth in this Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.3.1. Measurement and Verification Documents.

Measurement and Verification Documents must demonstrate both availability and performance of an On-Peak Demand Resource or Seasonal Peak Demand Resource in reducing demand coincident with Demand Resource On-Peak Hours or Demand Resource Seasonal Peak Hours such that the reported monthly demand reduction value shall achieve at least a ten percent relative precision and an eighty percent confidence interval as described and applied in the ISO New England Manuals and ISO New England Operating Procedures. The Measurement and Verification Documents shall serve as the basis for the claimed demand reduction value of an On-Peak Demand Resource or Seasonal Peak Demand Resource. The Measurement and Verification Documents shall document the measurement and verification performed to verify the achieved demand reduction value of the On-Peak Demand Resource or Seasonal Peak Demand Resource. The Measurement and Verification Documents shall contain a projection of the On-Peak Demand Resource's or Seasonal Peak Demand Resource's demand reduction value for each month of the Capacity Commitment Period and over the expected Measure Lives associated with the Demand Capacity Resources. An On-Peak Demand Resource's or Seasonal Peak Demand Resource's Measurement and Verification Documents must describe the methodology used to calculate electrical energy load reduction or output during Demand Resource On-Peak Hours, or Demand Resource Seasonal Peak Hours. If an On-Peak Demand Resource or Seasonal Peak Demand Resource includes Distributed Generation, the Measurement and Verification Documents must describe the individual metering or metering protocol used to monitor and verify the output of the Distributed Generation, consistent with the

measurement and verification requirements set forth in Market Rule 1 and the ISO New England Manuals.

The Measurement and Verification Documents shall include a Measurement and Verification Plan submitted in the Forward Capacity Auction Qualification, as described in Section III.13.1.4.3 and a monthly Measurement and Verification Summary Report during the Capacity Commitment Period. The monthly Measurement and Verification Summary Reports shall reference the measurement and verification protocols and performance data documented in the Measurement and Verification Plan or the Measurement and Verification Reference Report(s). Such monthly Measurement and Verification Summary Reports will document the Project Sponsor's total demand reduction value from eligible pre-existing measures and new measures, and the Project Sponsor's total demand reduction value from both eligible pre-existing measures and new measures, for all measures it had in operation as of the end of the previous month. The monthly Measurement and Verification Summary Reports shall be based on Measurement and Verification Documents determined in accordance with Market Rule 1 and the ISO New England Manuals, and shall be the basis for monthly settlement with Project Sponsors. All Measurement and Verification Documents shall conform to the ISO's specifications with respect to content, format and delivery methodology, and shall be submitted in accordance with the timelines and deadlines set forth in Market Rule 1 and the ISO New England Manuals.

III.13.1.4.3.1.1. Optional Measurement and Verification Reference Reports.

At the option of the Project Sponsor, the Measurement and Verification Documents for an On-Peak Demand Resource or a Seasonal Peak Demand Resource may also include one or more Measurement and Verification Reference Report(s) submitted during the Capacity Commitment Period subject to the schedule in the Measurement and Verification Plan and consistent with the schedule and reporting standards set forth in the ISO New England Manuals. Measurement and Verification Reference Reports shall update the prospective demand reduction value of the On-Peak Demand Resource or Seasonal Peak Demand Resource based on measurement and verification studies performed during the Capacity Commitment Period.

III.13.1.4.3.1.2. Updated Measurement and Verification Documents.

At the option of the Project Sponsor, an Updated Measurement and Verification Plan for an On-Peak Demand Resource or a Seasonal Peak Demand Resource may be submitted during a subsequent Forward Capacity Auction qualification process prior to the beginning of the Capacity Commitment Period of the Demand Capacity Resource project. The Updated Measurement and Verification Plan may include

updated project specifications, measurement and verification protocols, and performance data. However, the Updated Measurement and Verification Plan shall not modify for the duration of the Capacity Commitment Period the total claimed demand reduction value or the Demand Capacity Resource type from the applicable Forward Capacity Auction in which the Project Sponsor's offer cleared. Additionally, the Updated Measurement and Verification Plan shall provide measurement and verification consistent with the requirements specified in the ISO New England Manuals, and shall be comparable to the quality of the original Measurement and Verification Plan accepted during the Forward Capacity Auction qualification process in which the Demand Capacity Resource project cleared the Forward Capacity Auction.

III.13.1.4.3.1.3. Annual Certification of Accuracy of Measurement and Verification Documents.

Project Sponsors for On-Peak Demand Resources and Seasonal Peak Demand Resources shall submit no less frequently than once per year, a statement certifying that the Demand Capacity Resource projects for which the Project Sponsor is requesting compensation continue to perform in accordance with the submitted Measurement and Verification Documents reviewed by the ISO. One such statement must be received by the ISO no later than 10 Business Days before the Existing Capacity Qualification Deadline.

III.13.1.4.3.1.4. Record Requirement of Retail Customers Served.

For On-Peak Demand Resources and Seasonal Peak Demand Resources targeting customer facilities with greater than or equal to 10 kW of demand reduction value per facility, Project Sponsors shall maintain records of retail customers served including, at a minimum, the retail customer's address, the customer's utility distribution company, utility distribution company account identifier, measures installed, and corresponding monthly demand reduction values. For On-Peak Demand Resources and Seasonal Peak Demand Resources targeting customer facilities with under 10 kW of demand reduction value per facility, the Project Sponsor shall maintain records as described above for customer facilities with greater than or equal to 10 kW of demand reduction value per facility, or shall maintain records of aggregated demand reduction value and measures installed by Load Zone and meter domain. Project Sponsors shall maintain such records until the end of the Measure Life, or until the Demand Capacity Resource is permanently delisted from the Forward Capacity Market, and shall submit such records to the ISO upon request in a readable electronic format.

III.13.1.4.3.2. ISO Review of Measurement and Verification Documents.

The ISO shall review the Measurement and Verification Documents and complete such review and identify any necessary modifications in accordance with the Forward Capacity Auction qualification process as described in Section III.13.1 and pursuant to the ISO New England Manuals. In its review of the Measurement and Verification Documents, the ISO may consult with the Project Sponsor or Lead Market Participant to seek clarification, to gather additional necessary information, or to address questions or concerns arising from the materials submitted. At the discretion of the ISO, the ISO may consider revisions or additions to the Measurement and Verification Documents resulting from such consultation; provided, however, that in no case shall the ISO consider revisions or additions to the Measurement and Verification Documents if the ISO believes that such consideration cannot be properly accomplished within the time periods established for the qualification process.

III.13.1.4A. Distributed Energy Capacity Resources.

To participate in a Forward Capacity Auction as a Distributed Energy Capacity Resource, a resource must meet the requirements of this Section III.13.1.4A. Each Distributed Energy Capacity Resource shall be a minimum of 100 kW. A facility connected at a point of interconnection that is 5 MW or greater cannot be a Distributed Energy Capacity Resource. A Distributed Energy Capacity Resource comprises one or more Distributed Energy Resource Aggregations located in a single Capacity Zone and a single DRR Aggregation Zone, except that (a) a Settlement Only Distributed Energy Resource Aggregation may not participate in a Distributed Energy Capacity Resource with any other type of Distributed Energy Resource Aggregation, and (b) an end-use customer facility participating as part of On-Peak Demand Resource or Seasonal Peak Demand Resource with measures other than Energy Efficiency may not participate in a Distributed Energy Capacity Resource. Distributed Energy Capacity Resources are not permitted to submit import or export bids or Administrative Export De-List Bids.

III.13.1.4A.1. Definition of New Distributed Energy Capacity Resources.

A New Distributed Energy Capacity Resource is a Distributed Energy Capacity Resource that has not cleared in a previous Forward Capacity Auction.

III.13.1.4A.1.1. Qualification Process for New Distributed Energy Capacity Resources.

For Forward Capacity Auctions a New Distributed Energy Capacity Resource shall have a summer Qualified Capacity and winter Qualified Capacity based on the resource's estimated net injection capability and, as applicable, the resource's estimated demand reduction value as submitted and reviewed pursuant to this Section III.13.1.4A. The FCA Qualified Capacity for a New Distributed

Energy Capacity Resource (other than an Intermittent Power Resource) shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity.

For a resource to qualify as a New Distributed Energy Capacity Resource, the resource's Project Sponsor must make two separate submissions to the ISO: First, the Project Sponsor must submit estimated net energy injection values and, as applicable, estimated demand reduction values and supporting information in the New Distributed Energy Capacity Resource Show of Interest Form as described in Section III.13.1.4A.1.1.1. Second, the Project Sponsor must submit a New Distributed Energy Capacity Resource Qualification Package as described in Section III.13.1.4A.1.1.2.

III.13.1.4A.1.1.1. New Distributed Energy Capacity Resource Show of Interest Form.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource, the Project Sponsor must submit to the ISO a New Distributed Energy Capacity Resource Show of Interest Form as described in this Section III.13.1.4A.1.1.1 during the New Capacity Show of Interest Submission Window, as described in Section III.13.1.10. The ISO may waive the submission of any information not required for evaluation of a project.

(a) General Requirements. A completed New Distributed Energy Capacity Resource Show of Interest Form shall include, but is not limited to, the following information: project name; the DRR Aggregation Zone, Load Zone and Dispatch Zone within which the resource will be located; a description of the project and its expected configuration, including the types of generation and demand response comprising the project; a description of the customer classes and end-uses served by the project; the resource's expected Commercial Operation date; estimated summer and winter net injection capability values (MW) per facility; the installation date of facilities that are part of the project and already constructed, installed, or in commercial operation; ISO Market Participant status and ISO customer identification (if applicable); Project Sponsor's contact information and the ISO Customer Status; expected nameplate capacity by technology type per facility; indication of whether the project elects Intermittent Power Resource treatment (available if the project is a homogenous aggregation of intermittent technology); and the project's applicable technical and financial contacts.

For purposes of this Section III.13.1.4A:

(i) If a facility is expected to interconnect at a point of interconnection, its net injection capability is the generation capability of the installed generation technology at the point of interconnection.

(ii) If a facility is expected to interconnect at a Retail Delivery Point and does not plan to participate in the aggregation as a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation, the net injection capability is the lesser of the generation less the load profile measured at the location of the end-use customer meter or the amount the facility is contractually able to inject.

(b) Demand Response Resource. If the resource includes Demand Response Resources, the completed New Distributed Energy Capacity Resource Show of Interest Form shall include the following additional information: the estimated summer and winter demand reductions values (MW) per measure and/or per customer facility (measured at the customer meter and not including losses); the estimated total summer and winter demand reduction value of the Demand Response Resource (which must be consistent with the baseline calculation methodology in Section III.8.2); and supporting documentation (e.g., engineering estimates or documentation of verified savings from comparable projects) to substantiate the reasonableness of the estimated demand reduction values.

(c) Net Injection of 5 MW or Greater. If the resource contains a Distributed Energy Resource Aggregation with a facility with net injection of 5 MW or greater at a Retail Delivery Point, then the completed New Distributed Energy Capacity Resource Show of Interest Form for such a resource shall include the following additional information: the Pnode and service address at which the end-use facility is located; nameplate MW and net injection capability; non-coincident peak load (MW) of the facility without generation; technology type; and the Market Participant's portion of generation requested to be included as Qualified Capacity.

(d) Net Injection Greater or Equal to 1 MW and less than 5 MW. If the resource contains a Distributed Energy Resource Aggregation with a facility that has net injection capability at the point of interconnection of 1 MW or greater and less than 5 MW, then the completed New Distributed Energy Capacity Resource Show of Interest Form for such a facility shall include the following additional information: distribution bus; technology type; nameplate MW; one-line diagram of the plant and station facilities, including any known transmission facilities; if the facility is intermittent, the requested contribution of Qualified Capacity and supporting site-specific data; if an interconnection agreement is required under state requirements, the date when the interconnection request was submitted and the status of that interconnection request.

III.13.1.4A.1.1.2.

New Distributed Energy Capacity Resource Qualification Package.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource, the Project Sponsor must submit a New Distributed Energy Capacity Resource Qualification Package no later than the New Capacity Qualification Deadline. The New Distributed Energy Capacity Resource Qualification Package shall conform to the requirements of this Section III.13.1.4A.1.1.2. The ISO may waive the submission of any information not required for evaluation of a project.

III.13.1.4A.1.1.2.1. Source of Funding.

The Project Sponsor must provide in the New Distributed Energy Capacity Resource Qualification Package the source of funding, which includes, but is not limited to, the following: the source(s) of public benefits funding or private financing, or a funding plan supplemented by information on how previous projects were funded; and a completed ISO credit application.

III.13.1.4A.1.1.2.2. Customer Acquisition Plan.

(a) A Project Sponsor with more than a single customer must include in the New Distributed Energy Capacity Resource Qualification Package a description of its plan to acquire customers that includes, but is not limited to, the following information: a description of proposed customer market; the estimated size of target market and supporting documentation; a marketing plan with supporting documentation describing the manner in which customers will be recruited; and evidence supporting the viability of the marketing plan.

(b) A Project Sponsor for a New Distributed Energy Capacity Resource that includes one or more end-use customer facilities with behind-the-meter generation must include in the New Demand Capacity Resource Qualification Package information demonstrating that each facility's net injection capability will be less than 5 MW or less than or equal to the facility's Maximum Facility Load.

(c) The requirements of this Section III.13.1.4A.1.1.2.2 shall not apply for facilities with a net injection capability at a point of interconnection.

III.13.1.4A.1.1.2.3. Critical Path Schedule for a Distributed Energy Capacity Resource Having a Facility with a Demand Reduction Value or Net Injection Capability of at Least 5 MW at a Single Retail Delivery Point.

The Project Sponsor of a Distributed Energy Capacity Resource with a customer facility having a demand reduction value of at least 5 MW at a single Retail Delivery Point or having behind-the-meter generation with net injection capability greater than 5 MW at a single Retail Delivery Point, shall provide in the New Distributed Energy Capacity Resource Qualification Package a critical path schedule as set forth in Section III.13.1.1.2.2.2.

III.13.1.4A.1.1.2.4. Critical Path Schedule for a Distributed Energy Capacity Resource with All Facilities Having a Demand Reduction Value or Net Injection Capability of Less Than 5 MW at a Single Retail Delivery Point or Point of Interconnection.

The Project Sponsor of a Distributed Energy Capacity Resource with all facilities having a demand reduction value or net injection capability of less than 5 MW at a single Retail Delivery Point or point of interconnection shall provide in the New Distributed Energy Capacity Resource Qualification Package a critical path schedule comprised of a delivery schedule of the share of total offered demand reduction value and net injection capability achieved as of target dates, as follows: (i) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 1 occurring five weeks prior to the first annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; (ii) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 2 occurring five weeks prior to the second annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; and (iii) target date 3 which is the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Distributed Energy Capacity Resource described in the Project Sponsor's New Distributed Energy Capacity Resource Qualification Package has achieved its full demand reduction value and net injection capability, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100% of total demand reduction value and net injection capability must be complete.

III.13.1.4A.1.1.2.6. Offer Information from New Distributed Energy Capacity Resources.

(a) For a New Distributed Energy Capacity Resource that does not satisfy any of the conditions described in Sections III.A.21.1.1 or III.A.21.1.2 based on the information submitted at the time of the New Distributed Energy Capacity Resource Qualification Package, and for which the Project Sponsor does not provide a Load-Side Relationship Certification described in Section III.A.21.1.3, the Project Sponsor must include in the New Distributed Energy Capacity Resource Qualification Package the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and sufficient

documentation and information for a buyer-sider market power review pursuant to Section III.A.21.2. Such documentation and information includes all financial estimates, projected revenues, and cost projections for the project, including the project's pro-forma financing support data and anticipated out-of-market revenues (as defined in Section III.A.21.3(b)(i)). For a New Distributed Energy Capacity Resource that has achieved commercial operation prior to the New Capacity Qualification Deadline, such documentation should also include all financial data of actual incurred capital costs, actual operating costs, and actual revenues since the date of commercial operation.

A Project Sponsor that submits a Load-Side Relationship Certification as part of the New Distributed Energy Capacity Resource Qualification Package pursuant to Section III.13.1.4A.1.1.2.7 must be prepared to provide both (1) the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and (2) the documentation and information described in this subsection (a), in the event that the ISO determines that the Load-Side Relationship Certification does not meet the requirements of Section III.A.21.1.3.

(b) The Project Sponsor for a New Distributed Energy Capacity Resource must indicate in the New Distributed Energy Capacity Resource Qualification Package if an offer from the New Distributed Energy Capacity Resource may be rationed. A Project Sponsor may specify a single MW quantity to which offers may be rationed. Without such indication, offers will only be accepted or rejected in whole. This rationing election shall apply for the entire Forward Capacity Auction.

III.13.1.4A.1.1.2.7. Load-Side Interests.

If the Project Sponsor seeks to demonstrate one of the qualifying circumstances described in Section III.A.21.1.3 with regard to its New Distributed Energy Capacity Resource, the Project Sponsor must provide the Load-Side Relationship Certification in the New Distributed Energy Capacity Resource Qualification Package.

III.13.1.4A.1.1.3. Initial Interconnection Review Analysis for Distributed Energy Capacity Resources.

For each New Distributed Energy Capacity Resource, the ISO shall perform an analysis based on the information provided in the New Distributed Energy Capacity Resource Show of Interest Form to determine the amount of capacity that the resource could provide by the start of the associated Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO

determines that ~~because of deliverability impacts~~~~because of overlapping interconnection impacts~~, such a New Distributed Energy Capacity Resource that is otherwise accepted for participation in the Forward Capacity Auction in accordance with the other provisions and requirements of this Section III.13.1 cannot deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then that New Distributed Energy Capacity Resource will not be accepted for participation in the Forward Capacity Auction.

III.13.1.4A.1.1.4. Consistency of the New Distributed Energy Capacity Resource Qualification Package and New Distributed Energy Capacity Resource Show of Interest Form.

The ISO shall review the Project Sponsor's New Distributed Energy Capacity Resource Qualification Package for consistency with its New Distributed Energy Capacity Resource Show of Interest Form. The New Distributed Energy Capacity Resource Qualification Package may not contain material changes relative to the New Distributed Energy Capacity Resource Show of Interest Form. If a material change exists between the New Distributed Energy Capacity Resource Qualification Package and the New Distributed Energy Capacity Resource Show of Interest Form, the New Distributed Energy Capacity Resource Show of Interest Form will be withdrawn by the ISO. A material change includes, but is not limited to the following: (i) a misrepresentation or change of the interconnection status of a facility within the New Distributed Energy Capacity Resource; (ii) the addition of facilities at a point of interconnection; (iii) a change in the Project Sponsor, subject to review by the ISO of the capability and experience of the new Project Sponsor; (iv) a change in DRR Aggregation Zone within which the project is located; (v) for any component of the New Distributed Energy Capacity Resource that is a Demand Response Resource, an aggregate change in the total summer or winter demand reduction values of all such Demand Response Resources by more than 30 percent; (vi) for any component of the New Distributed Energy Capacity Resource with net injection capability less than 5 MW at a Retail Delivery Point or less than 1 MW at a point of interconnection, a change in the total summer or winter net injection capability of the resource by more than 30 percent; (vii) for non-demand response components of a New Distributed Energy Capacity Resource, the introduction of a new technology type; (viii) for demand response components of a the New Distributed Energy Capacity Resource, a change to the technology type providing demand reduction for the New Distributed Energy Capacity Resource; (ix) for a facility that interconnects at a point of interconnection, any increase in size of the facility; (x) for any non-demand response components of any New Distributed Energy Capacity Resource that interconnects at a point of interconnection, a decrease in size greater than 60 percent for any facility with greater than or equal to 1 MW connected at the same point of interconnection.

III.13.1.4A.1.1.5. Evaluation of New Distributed Energy Capacity Resource Qualification Materials.

The ISO shall review the information submitted by New Distributed Energy Capacity Resources and shall determine whether the information submitted complies with the requirements set forth in this Section III.13.1.4A and whether, based on the information provided, the Distributed Energy Capacity Resource is accepted for participation in the Forward Capacity Auction. In making these determinations, the ISO may consider, but is not limited to consideration of, the following:

- (a) whether the information submitted by New Distributed Energy Capacity Resources is accurate and contains all of the elements required by this Section III.13.1.4A;
- (b) whether the critical path schedule submitted by New Distributed Energy Capacity Resources includes all necessary elements and is sufficiently developed;
- (c) whether the milestones in the critical path schedule submitted by New Distributed Energy Capacity Resources are reasonable and likely to be met;
- (d) whether, in the case of a resource previously counted as a capacity resource, the requirements for treatment as a New Distributed Energy Capacity Resource are satisfied; and
- (e) whether the customer acquisition plan and source of funding plan are sufficiently detailed and reasonably achievable.

III.13.1.4A.1.1.6. New Distributed Energy Capacity Resources that are Intermittent Power Resources.

The summer Qualified Capacity and winter Qualified Capacity of a New Distributed Energy Capacity Resource that is an Intermittent Power Resource shall be the summer Qualified Capacity and winter Qualified Capacity claimed by the Project Sponsor pursuant to Section III.13.1.4A.2.A.1, as confirmed by the ISO pursuant to Section III.13.1.1.2.4(e). The FCA Qualified Capacity for such a resource shall be equal to the resource's summer Qualified Capacity.

III.13.1.4A.1.1.7. Qualification Determination Notification for New Distributed Energy Capacity Resources.

For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the ISO shall send notification as required under this Section III.13.1.4A.1.1.7 to Project Sponsors or Market Participants, as applicable, for each New Distributed Energy Capacity Resource no later than October 12, 2023. No later than 127 days prior to the relevant Forward Capacity Auction, the ISO shall send notification to Project Sponsors for each New Distributed Energy Capacity Resource indicating whether the New Distributed Energy Capacity Resource has been accepted for participation in the Forward Capacity Auction.

- (a) For a New Distributed Energy Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will specify the Distributed Energy Capacity Resource's summer and winter Qualified Capacity, which shall be the ISO-determined summer and winter net injection capability and demand reduction value, which in the latter case shall be increased by average avoided peak transmission and distribution losses (that is, eight percent).
- (b) For a New Distributed Energy Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will provide the ISO's determination as to whether the New Distributed Energy Capacity Resource satisfies any of the conditions described in Section III.A.21.1 and the basis for such determination.
- (c) For a New Distributed Energy Capacity Resource accepted for participation in the Forward Capacity Auction and subject to buyer-side market power review pursuant to Section III.A.21.2, the notification will provide the Internal Market Monitor's determinations regarding whether the New Distributed Energy Capacity Resource's requested lowest offer price, submitted pursuant to Section III.13.1.4A.1.1.2.6(a), must be mitigated, as described in Section III.A.21.2.3. The ISO shall not disclose to the Project Sponsor any information regarding the potential impact of any offer from the Project Sponsor on Capacity Clearing Prices.
- (d) For a New Distributed Energy Capacity Resource not accepted for participation in the Forward Capacity Auction, the notification will provide an explanation as to why the resource did not meet the requirements set forth in this Section III.13.1.4A and was not accepted.

III.13.1.4A.2. Definition of Existing Distributed Energy Capacity Resources.

Existing Distributed Energy Capacity Resources shall include Distributed Energy Capacity Resources that have cleared in a previous Forward Capacity Auction. Except as specified in this Section III.13.1.4A, Existing Distributed Energy Capacity Resources shall be subject to the same qualification process as

Existing Generating Capacity Resources, as described in Section III.13.1.2.3. Existing Distributed Energy Capacity Resources shall be subject to Section III.13.1.2.2.5.2. Any Distributed Energy Resource Aggregation that is part of an Existing Capacity Resource shall count only as existing Qualified Capacity, and shall not count toward the Qualified Capacity of a New Distributed Energy Capacity Resource. Any Existing Generating Capacity Resource or Existing Demand Capacity Resource that could qualify as an Existing Distributed Energy Capacity Resource may convert to an Existing Distributed Energy Capacity Resource.

III.13.1.4A.2.A Qualified Capacity for Existing Distributed Energy Capacity Resources.

III.13.1.4A.2.A.1 Existing Distributed Energy Capacity Resources Other Than Intermittent Power Resources

III.13.1.4A.2.A.1.1. Summer Qualified Capacity

The summer Qualified Capacity of an Existing Distributed Energy Capacity Resource that is not an Intermittent Power Resource shall equal the median of the resource's summer Seasonal Audit Value from the five most recent years, as of the fifth Business Day in October of each year, with only positive summer value included in the median calculation. Where an Existing Distributed Energy Capacity Resource has fewer than five summer Seasonal Audit Values, then the summer Qualified Capacity for that Existing Distributed Energy Capacity Resource shall be equal to the median of all of that resource's previous summer Seasonal Audit Values, as of the fifth Business Day in October of each year, with only positive summer values included in the median calculation. If for an Existing Distributed Energy Capacity Resource there are no previous Seasonal Audit Values because the resource had not yet achieved FCM Commercial Operation, then the Existing Distributed Energy Capacity Resource's summer Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Distributed Energy Capacity Resource in previous Forward Capacity Auctions.

III.13.1.4A.2.A.1.2 Winter Qualified Capacity

The winter Qualified Capacity of an Existing Distributed Energy Capacity Resource that is not an Intermittent Power Resource shall equal the median of the resource's winter Seasonal Audit Value from the five most recent years, as of the fifth Business Day in June of each year, with only positive winter value included in the median calculation. Where an Existing Distributed Energy Capacity Resource has fewer than five winter Seasonal Audit Values, then the winter Qualified Capacity for that Existing Distributed Energy Capacity Resource shall be equal to the median of all of that resource's previous winter Seasonal Audit Values, as of the fifth Business Day in June of each year, with only positive winter

values included in the median calculation. If for an Existing Distributed Energy Capacity Resource there are no previous Seasonal Audit Values because the resource had not yet achieved FCM Commercial Operation, then the Existing Distributed Energy Capacity Resource's winter Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Distributed Energy Capacity Resource in previous Forward Capacity Auctions.

III.13.1.4A.2.A.2 Existing Distributed Energy Capacity Resources That Are Intermittent Power Resources

Existing Distributed Energy Capacity Resources that are Intermittent Power Resources shall follow the same rules for Existing Generating Capacity Resources that are Intermittent Power Resources in section III.13.1.2.2.2. The Existing Qualified Capacity may not be greater than the amount of summer (or winter, as applicable) capacity that cleared in a Forward Capacity Auction as a New Distributed Energy Capacity Resource.

III.13.1.4A.2.A.3 Qualified Capacity Adjustment for Partially New and Partially Existing Resources

Rules related to a Distributed Energy Capacity Resource's Qualified Capacity Adjustment for Partially New and Partially Existing Resources can be found in Section III.13.1.2.2.3.

III.13.1.4A.2.A.4 Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline.

Rules related to a Distributed Energy Capacity Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline can be found in Section III.13.1.2.2.4.

III.13.1.4A.2.1. Qualified Capacity Notification for Existing Distributed Energy Capacity Resources.

(a) For each Existing Distributed Energy Capacity Resource, no later than 15 Business Days before the Existing Capacity Retirement Deadline, the ISO will notify the resource's Lead Market Participant of the resource's summer Qualified Capacity and winter Qualified Capacity and the DRR Aggregation Zone in which the Existing Distributed Energy Capacity Resource is located.

(b) If the Lead Market Participant believes that the ISO has made a mathematical error in calculating the summer Qualified Capacity or winter Qualified Capacity for an Existing Distributed Energy Capacity

Resource, then the Lead Market Participant must notify the ISO within five Business Days of receipt of the Qualified Capacity notification.

(c) The ISO shall notify the Lead Market Participant of the outcome of any such challenge no later than five Business Days before the Existing Capacity Retirement Deadline. If an Existing Distributed Energy Capacity Resource does not submit a Static De-List Bid, a Permanent De-List Bid, or a Retirement De-List Bid in the Forward Capacity Auction qualification process, then the resource shall be entered into the Forward Capacity Auction as described in Section III.13.2.3.2(c).

III.13.1.4A.2.2. Existing Distributed Energy Capacity Resource De-List Bids.

An Existing Distributed Energy Capacity Resource may submit a Permanent De-List Bid or Retirement De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.5 no later than the Existing Capacity Retirement Deadline or a Static De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.1 no later than the Existing Capacity Qualification Deadline, provided, however, that no de-list bid shall be used as a mechanism to inappropriately qualify Distributed Energy Resource Aggregations associated with Existing Distributed Energy Capacity Resources as New Distributed Energy Capacity Resources.

III.13.1.5. Offers Composed of Separate Resources.

Separate resources seeking to participate together in a Forward Capacity Auction shall submit a composite offer form no later than 10 Business Days after the date on which the ISO provides qualification determination notifications, as described in Section III.13.1.1.2.8, Section III.13.1.2.4, and Section III.13.1.4.1.1.6. Offers composed of separate resources may not be modified or withdrawn after the deadline for submission of the composite offer form. Separate resources may together participate in a Forward Capacity Auction as a single resource if the following conditions are met:

(a) In all months of the summer period (June through September where the summer resource is not a Demand Capacity Resource, April through November where the summer resource is a Demand Capacity Resource) of the Capacity Commitment Period, only one resource may be used to supply the amount of capacity offered during the entire summer period. In all months of the winter period (October through May where the summer resource is not a Demand Capacity Resource, December through March where the summer resource is a Demand Capacity Resource) of the Capacity Commitment Period, multiple resources may be combined to supply the amount of capacity offered, provided that: (i) the resources together meet the amount of the offer in all months of the winter period; and (ii) to combine for a month,

that month must be considered a winter month for both the summer resource and the resource combining with that summer resource in that month.

(b) Each resource that is part of an offer composed of separate resources must qualify in accordance with all of the provisions of this Section III.13.1.5 applicable to that resource type. An offer composed of separate resources participates in the Forward Capacity Auction in accordance with the resource type of the resource providing capacity in the summer period. A resource electing (pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7) to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which its New Capacity Offer clears shall not be eligible to participate in an offer composed of separate resources as the resource providing capacity in the summer period in the Forward Capacity Auction in which the resource is a New Generating Capacity Resource or New Demand Capacity Resource.

(c) The summer Qualified Capacity of an offer composed of separate resources shall be the summer Qualified Capacity of the single resource that will provide the Capacity Supply Obligation during the summer period. If the summer Qualified Capacity of an offer composed of separate resources is greater than the winter capacity for any month, then the provisions of Section III.13.1.2.2.5.2 shall apply, even where any of the resources comprising the offer composed of separate resources is an Intermittent Power Resource. If the winter capacity of the offer composed of separate resources in any month is higher than the summer Qualified Capacity, then the capacity offered from the winter resources will be reduced pro-rata to equal the summer Qualified Capacity.

(d) Offers composed of separate resources are subject to the locational restrictions specified in the following table:

		Location of Summer Resource			
		Import-Constrained Capacity Zone	Rest-of-Pool Capacity Zone	Export-Constrained Capacity Zone	Nested Export-Constrained Capacity Zone
Location of Winter Resource	Import-Constrained Capacity Zone	Eligible (within same Capacity Zone)	Eligible	Eligible	Eligible

	Rest-of-Pool Capacity Zone	Ineligible	Eligible	Eligible	Eligible
	Export-Constrained Capacity Zone	Ineligible	Ineligible	Eligible (within same Capacity Zone)	Eligible (within same Capacity Zone where nested export-constrained Capacity Zone is located)
	Nested Export-Constrained Capacity Zone	Ineligible	Ineligible	Ineligible	Eligible (within same Capacity Zone)

(e) A Renewable Technology Resource may only participate in an offer composed of separate resources if its FCA Qualified Capacity has not been prorated pursuant to Section III.13.1.1.2.10.

(f) A Distributed Energy Capacity Resource may not participate in an offer composed of separate resources.

III.13.1.5.A. Notification of FCA Qualified Capacity.

No later than five Business Days after the deadline for submission of offers composed of separate resources, the ISO shall notify the Project Sponsor or Lead Market Participant for each New Generating Capacity Resource, New Import Capacity Resource, and New Demand Capacity Resource of the resource's final FCA Qualified Capacity for the Forward Capacity Auction. Such notification will detail the resource's financial assurance requirements in accordance with Section III.13.1.9.

III.13.1.6. Self-Supplied FCA Resources.

Where a Project Sponsor elects to designate all or a portion of a New Generating Capacity Resource, an Existing Generating Capacity Resource, a New Distributed Energy Capacity Resource, or an Existing Distributed Energy Capacity Resource as a Self-Supplied FCA Resource, the Project Sponsor must make such designation in writing to the ISO no later than the date by which the Project Sponsor is required to submit the FCM Deposit and, if the Project Sponsor is not also the associated load serving entity, the Project Sponsor must at that time provide written confirmation from the load serving entity regarding the Self-Supplied FCA Resource designation. A New Import Capacity Resource or Existing Import Capacity Resource may be designated as a Self-Supplied FCA Resource. A New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource may only designate its net injection

capability as a Self-Supplied FCA Resource. All Self-Supplied FCA Resources shall be subject to the eligibility and locational requirements in this Section III.13.1.6. If designated as a Self-Supplied FCA Resource and otherwise accepted in the qualification process, the resource will clear in the Forward Capacity Auction as described in Section III.13.2.3.2(c) and, with the exception of demand programs for Self-Supplied FCA Resources, shall offset an equal amount of the load serving entity's Capacity Load Obligation in the Capacity Commitment Period. A load serving entity seeking to self-supply using a Demand Capacity Resource shall realize the benefit through the actual reduction in its annual system coincident peak load, shall not receive credit for a resource and, therefore, is not required to participate in the qualification process described in this Section III.13.1. All designations as a Self-Supplied FCA Resource in the Forward Capacity Auction qualification process are binding.

III.13.1.6.1. Self-Supplied FCA Resource Eligibility.

Where all or a portion of a resource is designated as a Self-Supplied FCA Resource, it shall also maintain its status as a New Generating Capacity Resource, Existing Generating Capacity Resource, New Import Capacity Resource, Existing Import Capacity Resource, New Distributed Energy Capacity Resource, or Existing Distributed Energy Capacity Resource and must satisfy the Forward Capacity Auction qualification process requirements set forth in the remainder of Section III.13.1 applicable to that resource type, in addition to the requirements of this Section III.13.1.6. Where an offer composed of separate resources is designated as a Self-Supplied FCA Resource, all of the requirements and deadlines specified in Section III.13.1.5 shall apply to that offer, in addition to the requirements of this Section III.13.1.6. The total quantity of capacity that an load serving entity designates as Self-Supplied FCA Resources may not exceed the load serving entity's projected share of the Installed Capacity Requirement during the Capacity Commitment Period which shall be calculated by determining the load serving entity's most recent percentage share of the Installed Capacity Requirement multiplied by the projected Installed Capacity Requirement for the commitment year. No resource may be designated as a Self-Supplied FCA Resource for more MW than the lesser of that resource's summer Qualified Capacity and winter Qualified Capacity.

III.13.1.6.2. Locational Requirements for Self-Supplied FCA Resources.

In order to participate in the Forward Capacity Auction as a Self-Supplied FCA Resource for a load in an import-constrained Capacity Zone, the Self-Supplied FCA Resource must be located in the same Capacity Zone as the associated load, unless the Self-Supplied FCA Resource is a pool-planned unit or other unit with a special allocation of Capacity Transfer Rights. In order to participate in the Forward Capacity Auction as a Self-Supplied FCA Resource in an export-constrained Capacity Zone for a load outside that

export-constrained Capacity Zone, the Self-Supplied FCA Resource must be a pool-planned unit or other unit with a special allocation of Capacity Transfer Rights.

III.13.1.7. Internal Market Monitor Review of Offers and Bids.

In addition to the other provisions of this Section III.13.1, the Internal Market Monitor shall have the authority to review in the qualification process each resource's summer and winter Seasonal Claimed Capability if it is significantly lower than historical values, and if the Internal Market Monitor determines that it may be an attempt to exercise physical withholding, the matter will be referred to the Commission in accordance with the protocols set forth in Appendix A to the Commission's Market Monitoring Policy Statement (111 FERC ¶ 61,267 (2005)). Where an entity submits: (i) an offer as a New Generating Capacity Resource, a New Import Capacity Resource, a New Demand Capacity Resource, or a New Distributed Energy Capacity Resource; and (ii) a Static De-List Bid, a Permanent De-List Bid, a Retirement De-List Bid, an Export Bid or an Administrative Export De-List Bid in the same Forward Capacity Auction, the Internal Market Monitor shall take appropriate steps to ensure that the resource bid to de-list, retire or export in the Forward Capacity Auction is not inappropriately replaced by that new capacity in a subsequent reconfiguration auction or Capacity Supply Obligation Bilateral. In its review of any offer or bid pursuant to this Section III.13.1.7, the Internal Market Monitor may consult with the Project Sponsor or Market Participant, as appropriate, to seek clarification, or to address questions or concerns regarding the materials submitted.

III.13.1.8. Publication of Offer and Bid Information.

- (a) Resource name, quantity and Load Zone (or interface, as applicable) in which the resource is located about each Permanent De-list Bid and Retirement De-List Bid will be posted no later than 15 days after the Forward Capacity Auction is conducted.
- (b) The quantity and Load Zone (or interface, as applicable) in which the resource is located of each Static De-List Bid will be posted no later than 15 days after the Forward Capacity Auction is conducted.
- (c) Name of submitter, quantity, and interface of Export Bids and Administrative Export Bids shall be published no later than 15 days after the Forward Capacity Auction is conducted.
- (d) Name of submitter, quantity, and interface about offers from New Import Capacity Resources shall be published no later than 15 days after the Forward Capacity Auction is conducted.

(e) No later than three Business Days after the Existing Capacity Retirement Deadline, the ISO shall post on its website information concerning Permanent De-List Bids and Retirement De-List Bids.

(f) The name of each Lead Market Participant submitting Static De-List Bids, Export Bids, and Administrative Export De-List Bids, as well as the number and type of such de-list bids submitted by each Lead Market Participant, shall be published no later than three Business Days after the ISO issues the qualification determination notifications described in Sections III.13.1.1.2.8, III.13.1.2.4(b), III.13.1.4.1.1.6, III.13.1.4A.1.1.7, and III.13.1.3.5.7. Authorized Persons of Authorized Commissions will be provided confidential access to full information about posted Static De-list Bids, Permanent De-List Bids, and Retirement De-List Bids upon request pursuant to Section 3.3 of the ISO New England Information Policy.

(g) No later than five Business Days after the close of the New Capacity Show of Interest Submission Window, the ISO shall post on its website the aggregate quantity of supply offers and demand bids that have been elected to participate in the substitution auction by Capacity Zone (where the zones used are those being studied for inclusion in the associated Forward Capacity Auction pursuant to Section III.12.4).

III.13.1.9. Financial Assurance.

Except as noted in this Section III.13.1.9, all financial assurance requirements associated with Forward Capacity Auctions and annual reconfiguration auctions and other payments and charges resulting from the Forward Capacity Market shall be governed by the ISO New England Financial Assurance Policy.

III.13.1.9.1. Financial Assurance for New Generating Capacity Resources and New Demand Capacity Resources Participating in the Forward Capacity Auction.

In order to participate in any Forward Capacity Auction, New Generating Capacity Resources ~~(including Conditional Qualified New Resources)~~ and New Demand Capacity Resources shall be required to meet the financial assurance requirements as described in the ISO New England Financial Assurance Policy. Timely payment of the FCM Deposit by the Project Sponsor for a New Generating Capacity Resource or New Demand Capacity Resource accepted for participation in the Forward Capacity Auction constitutes a commitment to offer the full FCA Qualified Capacity of that New Generating Capacity Resource or New Demand Capacity Resource in the Forward Capacity Auction at the Forward Capacity Auction Starting Price. If the FCM Deposit is not received within the timeframe specified in the ISO New England

Financial Assurance Policy, the New Generating Capacity Resource or New Demand Capacity Resource shall not be permitted to participate in the Forward Capacity Auction. If capacity offered by the New Generating Capacity Resource or New Demand Capacity Resource clears in the Forward Capacity Auction, financial assurance required prior to the auction pursuant to FAP shall be applied toward the resource's financial assurance obligation, as described in the ISO New England Financial Assurance Policy. If no capacity offered by that New Generating Capacity Resource or New Demand Capacity Resource clears in the Forward Capacity Auction, the financial assurance required prior to the auction pursuant to FAP will be released pursuant to the terms of the ISO New England Financial Assurance Policy.

III.13.1.9.2. Financial Assurance for New Generating Capacity Resources and New Demand Capacity Resources Clearing in a Forward Capacity Auction.

Where a New Generating Capacity Resource's offer or a New Demand Capacity Resource's offer is accepted in a Forward Capacity Auction, that resource must provide financial assurance as described in the ISO New England Financial Assurance Policy.

III.13.1.9.2.1. Failure to Provide Financial Assurance or to Meet Milestone.

If a New Generating Capacity Resource or New Demand Capacity Resource: (i) fails to provide the required financial assurance as described in the ISO New England Financial Assurance Policy or (ii) has its Capacity Supply Obligation terminated by the ISO pursuant to Section III.13.3.4A, it shall lose its Capacity Supply Obligation and its right to any payments associated with that Capacity Supply Obligation, and it shall forfeit any financial assurance provided with respect to that Capacity Supply Obligation.

III.13.1.9.2.2. Release of Financial Assurance.

Once a New Generating Capacity Resource or New Demand Capacity Resource achieves FCM Commercial Operation, its financial assurance obligation shall be released pursuant to the terms of the ISO New England Financial Assurance Policy and it shall have the same financial assurance requirements as an Existing Generating Capacity Resource, as governed by the ISO New England Financial Assurance Policy. If a New Generating Capacity Resource or New Demand Capacity Resource is only capable of delivering less than the amount of capacity that cleared in the Forward Capacity Auction, then the portion of its financial assurance associated with the shortfall shall be forfeited.

III.13.1.9.2.2.1. [Reserved.]

III.13.1.9.2.3. Forfeit of Financial Assurance.

Where any financial assurance is forfeited pursuant to the provisions of Section III.13, there shall be no further coverage for such forfeit under the ISO New England Billing Policy. Any financial assurance that is forfeited pursuant to Section III.13 shall be used to reduce charges incurred by load in the relevant Capacity Zone.

III.13.1.9.2.4. Financial Assurance for New Import Capacity Resources.

A New Import Capacity Resource that is backed by a new External Resource or will be delivered over an Elective Transmission Upgrade with a Capacity Network Import Interconnection Service Interconnection Request pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff shall be subject to the same financial assurance requirements as a New Generating Capacity Resource, as described in Section III.13.1.9.1 and Section III.13.1.9.2. Once the new External Resource or the Elective Transmission Upgrade achieves FCM Commercial Operation, the New Import Capacity Resource shall be subject to the same financial assurance requirements as an Existing Generating Capacity Resource, as described in Section III.13.1.9. A New Import Capacity Resource that is backed by one or more existing External Resources or by an external Control Area shall be subject to the same financial assurance requirements as an Existing Generating Capacity Resource, as governed by the ISO New England Financial Assurance Policy.

III.13.1.9.3. Qualification Process Cost Reimbursement Deposit.

For each New Capacity Show of Interest Form, New Demand Capacity Resource Show of Interest Form, and New Distributed Energy Capacity Resource Show of Interest Form submitted for the purposes of qualifying for either a Forward Capacity Auction or reconfiguration auction, the Project Sponsor must submit to the ISO a refundable deposit in the amount shown in the table below (“Qualification Process Cost Reimbursement Deposit”). The Qualification Process Cost Reimbursement Deposit must be received in accordance with the ISO New England Billing Policy. Such deposit shall be used for costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owners, associated with the qualification process described in Section III.13.1 and with the critical path schedule monitoring described in Section III.13.3. An additional Qualification Process Cost Reimbursement Deposit is not required if: (i) the Project Sponsor is actively seeking qualification for another Forward Capacity Auction or annual reconfiguration auction, or is having the project’s critical path schedule monitored pursuant to Section III.13.3; and (ii) the costs already incurred in the qualification process and critical path schedule monitoring do not equal or exceed 90 percent of the

amount of the previously-submitted Qualification Process Cost Reimbursement Deposit(s). The ISO shall provide the Project Sponsor with an annual statement in writing of the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. In any case where resources are aggregated or disaggregated, the associated Qualification Process Cost Reimbursement Deposits will be adjusted as appropriate. After aggregation or disaggregation of resources, historical data regarding the costs already incurred in the qualification process of the original resources will no longer be provided. Coincident with the issuance of the annual statement, where incurred costs are equal to or greater than 90 percent of the Qualification Process Cost Reimbursement Deposit(s) previously submitted, the ISO will issue an invoice in the amount determined pursuant to the Qualification Process Cost Reimbursement Deposit table contained in Section III.13.1.9.3.1 plus any excess of costs incurred to date by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owners, associated with the qualification process described in Section III.13.1 and with the critical path schedule monitoring described in Section III.13.3. Any refunds that may result from aggregation of resources will be issued coincident with the annual statement. Payment on the invoice must be received in accordance with the ISO New England Billing Policy. If the Project Sponsor fails to pay the amount due by the stated due date, the ISO will consider the resources that were invoiced withdrawn by the Project Sponsor. Such a withdrawal shall be irrevocable, and payment on the invoice after the due date will not remedy the failure to pay or the withdrawal.

III.13.1.9.3.1. Partial Waiver Of Deposit.

A portion of the deposit shall be waived when there is an active Interconnection Request and an executed Interconnection Feasibility Study Agreement or Interconnection System Impact Study Agreement under Schedule 22, 23 or 25 of Section II of the Transmission, Markets and Services Tariff or where a resource modification does not require a revision to the Interconnection Agreement.

New Generating Capacity Resources \geq 20 MW or an Import Capacity Resource associated with an Elective Transmission Upgrade that has not achieved Commercial Operation as defined in Schedule 25 of	New Generating Capacity Resources < 20 MW and \geq 2 MW	Imports and New Demand Capacity Resources	New Distributed Energy Capacity Resource	New Generating Capacity Resources < 2 MW
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Section II of the Transmission, Markets and Services Tariff				
<i>Including Up-rates, Re-powering, Environmental Compliance & Intermittent Power Resources</i>	<i>Including Up-rates, Re-powering, Environmental Compliance & Intermittent Power Resources</i>			
\$25 15,000	\$7 6,500	\$1,000	\$2,500	\$500
With Executed Interconnection Feasibility Study Agreement or System Impact Study Agreement	With Executed Interconnection Feasibility Study Agreement or System Impact Study Agreement			
\$15,000	\$6,500	n/a	n/a	n/a

III.13.1.9.3.2. Settlement of Costs.

III.13.1.9.3.2.1. Settlement Of Costs Associated With Resources Participating In A Forward Capacity Auction Or Reconfiguration Auction.

Upon the latter of: (i) the first day of the Capacity Commitment Period for which a resource offers into the Forward Capacity Market or (ii) the date on which the entire resource is accepted by the ISO for FCM Commercial Operation, the ISO shall provide the Project Sponsor with a statement in writing of the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. If any portion of the Qualification Process Cost Reimbursement Deposit exceeds the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s) associated with the qualification process and critical path schedule monitoring, the ISO shall refund to the Project Sponsor the excess including interest calculated in accordance with 18 CFR § 35.19a(a)(2). If the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring exceed the Qualification Process Cost Reimbursement Deposit, the Project Sponsor shall pay such excess, including interest calculated in

accordance with 18 CFR § 35.19a(a)(2) – For Demand Capacity Resources, the ISO shall provide all of the above concurrently with the annual statement required under Section III.13.1.9.3.

III.13.1.9.3.2.2. Settlement Of Costs Associated With Resources That Withdraw From A Forward Capacity Auction Or Reconfiguration Auction.

Upon the withdrawal or failure to meet the requirements of the qualification process set forth in Section III.13.1, the ISO shall provide the Project Sponsor with a statement in writing of the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. A Project Sponsor that withdraws or is deemed to have withdrawn its request for qualification shall pay to the ISO all costs prudently incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. The ISO shall refund to the Project Sponsor any portion of the Qualification Process Cost Reimbursement Deposit that exceeds the costs associated with the qualification process and critical path schedule monitoring incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), including interest calculated in accordance with 18 CFR § 35.19a(a)(2). The ISO shall charge the Project Sponsor the amount of such costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), that exceeds the Qualification Process Cost Reimbursement Deposit, including interest calculated in accordance with 18 CFR § 35.19a(a)(2). For Demand Capacity Resources, the ISO shall provide all of the above concurrently with the annual statement required under Section III.13.1.9.3.

III.13.1.9.3.2.3. Crediting Of Reimbursements.

Cost reimbursements received (excluding amounts passed through to the ISO's consultants and to affected Transmission Owner(s)) by the ISO pursuant to this Section III.13.1.9.3.2 shall be credited against revenues received by the ISO pursuant to Section IV.A.6.1 of the Transmission, Markets and Services Tariff.

III.13.1.10. Forward Capacity Auction Qualification Schedule.

Beginning with the timeline for the Capacity Commitment Period beginning on June 1, 2017 (the eighth Forward Capacity Auction), and for each Capacity Commitment Period thereafter, the deadlines will be consistent for each Capacity Commitment Period, as follows:

- (a) each Capacity Commitment Period shall begin in June;

- (b) the Existing Capacity Retirement Deadline will be in March, approximately four years and three months before the beginning of the Capacity Commitment Period, except that, for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the Existing Capacity Retirement Deadline will be April 6, 2023;
- (c) the New Capacity Show of Interest Submission Window will be in April, approximately four years and two months before the beginning of the Capacity Commitment Period, except that, for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the New Capacity Show of Interest Submission Window will open on April 24, 2023 and will close on May 8, 2023;
- (d) the Existing Capacity Qualification Deadline will be 90 days after the Existing Capacity Retirement Deadline, approximately four years before the beginning of the Capacity Commitment Period, except that, for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the Existing Capacity Qualification Deadline will be June 20, 2023;
- (e) the New Capacity Qualification Deadline will be in June or July that is just under four years before the beginning of the Capacity Commitment Period; and
- (f) the Forward Capacity Auction for the Capacity Commitment Period will begin in February approximately three years and four months before the beginning of the Capacity Commitment Period.

III.13.1.11 Opt-Out for Resources Electing Multiple-Year Treatment.

Beginning in the qualification process for the ninth Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2018), any resource that had elected in a Forward Capacity Auction prior to the ninth Forward Capacity Auction (pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7) to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which its New Capacity Offer cleared may, by submitting a written notification to the ISO no later than the Existing Capacity Qualification Deadline (or, in the case of the ninth Forward Capacity Auction, no later than September 19, 2014), opt-out of the remaining years of the resource's multiple-year election. A decision to so opt-out shall be irrevocable. A resource choosing to so opt-out will participate in subsequent Forward Capacity Auctions in the same manner as other Existing Capacity Resources.

III.13.2. Annual Forward Capacity Auction.

III.13.2.1. Timing of Annual Forward Capacity Auctions.

Each Forward Capacity Auction will be conducted beginning on the first Monday in the February that is approximately three years and four months before the beginning of the associated Capacity Commitment Period (unless, no later than the immediately preceding December 1, an alternative date is announced by the ISO), or, where exigent circumstances prevent the start of the Forward Capacity Auction at that time, as soon as possible thereafter.

III.13.2.2. Amount of Capacity Cleared in Each Forward Capacity Auction.

The total amount of capacity cleared in each Forward Capacity Auction shall be determined using the System-Wide Capacity Demand Curve and the Capacity Zone Demand Curves for the modeled Capacity Zones pursuant to Section III.13.2.3.3.

III.13.2.2.1. System-Wide Capacity Demand Curve.

The MRI Transition Period is the period from the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2020 through the earlier of:

- (i) the Forward Capacity Auction for which the amount of the Installed Capacity Requirement (net of HQICCs) that is filed by the ISO with the Commission pursuant to Section III.12.3 for the upcoming Forward Capacity Auction is greater than or equal to the sum of: 34,151 MW, and: (a) 722 MW (for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2020); (b) 375 MW (for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2021), or; (c) 150 MW (for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2022);
- (ii) the Forward Capacity Auction for which the product of the system-wide Marginal Reliability Impact value, calculated pursuant to Section III.12.1.1, and the scaling factor specified in Section III.13.2.2.4, specifies a quantity at \$7.03/kW-month in excess of the MW value determined under the applicable subsection (2)(b), (2)(c), or (2)(d), below, or;
- (iii) the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2022.

During the MRI Transition Period, the System-Wide Capacity Demand Curve shall consist of the following three segments:

- (1) at prices above \$7.03/kW-month and below the Forward Capacity Auction Starting Price, the System-Wide Capacity Demand Curve shall specify a price for system capacity quantities based on the product of the system-wide Marginal Reliability Impact value, calculated pursuant to Section III.12.1.1, and the scaling factor specified in Section III.13.2.2.4;
- (2) at prices below \$7.03/kW-month, the System-Wide Capacity Demand Curve shall be linear between \$7.03/kW-month and \$0.00/kW-month and determined by the following quantities:
 - (a) At the price of \$0.00/kW-month, the quantity specified by the System-Wide Capacity Demand Curve shall be 1616 MW plus the MW value determined under the applicable provision in (b), (c), or (d) of this subsection.
 - (b) for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2020, at \$7.03/kW-month, the quantity shall be the lesser of:
 1. 35,437 MW; and
 2. 722 MW plus the quantity at which the product of the system-wide Marginal Reliability Impact value and the scaling factor yield a price of \$7.03/kW-month;
 - (c) for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2021, at \$7.03/kW-month, the quantity shall be the lesser of:
 1. 35,090 MW; and
 2. 375 MW plus the quantity at which the product of the system-wide Marginal Reliability Impact value and the scaling factor yield a price of \$7.03/kW-month;
 - (d) for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2022, at \$7.03/kW-month, the quantity shall be the lesser of:
 1. 34,865 MW; and
 2. 150 MW plus the quantity at which the product of the system-wide Marginal Reliability Impact value and the scaling factor yield a price of \$7.03/kW-month
- (3) a price of \$7.03/kW-month for all quantities between those curves segments.

In addition to the foregoing, the System-Wide Capacity Demand Curve shall not specify a price in excess of the Forward Capacity Auction Starting Price.

Following the MRI Transition Period, the System-Wide Capacity Demand Curve shall specify a price for system capacity quantities based on the product of the system-wide Marginal Reliability Impact value, calculated pursuant to Section III.12.1.1, and the scaling factor specified in Section III.13.2.2.4. For any system capacity quantity greater than 110% of the Installed Capacity Requirement (net of HQICCs), the System-Wide Capacity Demand Curve shall specify a price of zero. The System-Wide Capacity Demand Curve shall not specify a price in excess of the Forward Capacity Auction Starting Price.

III.13.2.2.2. Import-Constrained Capacity Zone Demand Curves.

For each import-constrained Capacity Zone, the Capacity Zone Demand Curve shall specify a price for all Capacity Zone quantities based on the product of the import-constrained Capacity Zone's Marginal Reliability Impact value, calculated pursuant to Section III.12.2.1.3, and the scaling factor specified in Section III.13.2.2.4. The prices specified by an import-constrained Capacity Zone Demand Curve shall be non-negative. At all quantities greater than the truncation point, which is the amount of capacity for which the Capacity Zone Demand Curve specifies a price of \$0.01/kW-month, the Capacity Zone Demand Curve shall specify a price of zero. The Capacity Zone Demand Curve shall not specify a price in excess of the Forward Capacity Auction Starting Price.

III.13.2.2.3. Export-Constrained Capacity Zone Demand Curves.

For each export-constrained Capacity Zone, the Capacity Zone Demand Curve shall specify a price for all Capacity Zone quantities based on the product of the export-constrained Capacity Zone's Marginal Reliability Impact value, calculated pursuant to Section III.12.2.2.1, and the scaling factor specified in Section III.13.2.2.4. The prices specified by an export-constrained Capacity Zone Demand Curve shall be non-positive. At all quantities less than the truncation point, which is the amount of capacity for which the Capacity Zone Demand Curve specifies a price of negative \$0.01/kW-month, the Capacity Zone Demand Curve shall specify a price of zero.

III.13.2.2.4. Capacity Demand Curve Scaling Factor.

The demand curve scaling factor shall be set at the value such that, at the quantity specified by the System-Wide Capacity Demand Curve at a price of Net CONE, the Loss of Load Expectation is 0.1 days per year.

III.13.2.3. Conduct of the Forward Capacity Auction.

The Forward Capacity Auction shall include a descending clock auction, which will determine, subject to the provisions of Section III.13.2.7, the Capacity Clearing Price for each Capacity Zone modeled in that Forward Capacity Auction pursuant to Section III.12.4, and the Capacity Clearing Price for certain offers from New Import Capacity Resources and Existing Import Capacity Resources pursuant to Section III.13.2.3.3(d). The Forward Capacity Auction shall determine the outcome of all offers and bids accepted during the qualification process and submitted during the auction. The descending clock auction shall be conducted as a series of rounds, which shall continue (for up to five consecutive Business Days, with up to eight rounds per day, absent extraordinary circumstances) until the Forward Capacity Auction is concluded for all modeled Capacity Zones in accordance with the provisions of Section III.13.2.3.3. Each round of the Forward Capacity Auction shall consist of the following steps, which shall be completed simultaneously for each Capacity Zone included in the round:

III.13.2.3.1. Step 1: Announcement of Start-of-Round Price and End-of-Round Price.

For each round, the auctioneer shall announce a single Start-of-Round Price (the highest price associated with a round of the Forward Capacity Auction) and a single (lower) End-of-Round Price (the lowest price associated with a round of the Forward Capacity Auction). In the first round, the Start-of-Round Price shall equal the Forward Capacity Auction Starting Price for all modeled Capacity Zones. In each round after the first round, the Start-of-Round Price shall equal the End-of-Round Price from the previous round.

III.13.2.3.2. Step 2: Compilation of Offers and Bids.

The auctioneer shall compile all of the offers and bids for that round, as follows:

(a) Offers from New Generating Capacity Resources, New Import Capacity Resources, New Demand Capacity Resources, and New Distributed Energy Capacity Resources.

- (i) The Project Sponsor for any New Generating Capacity Resource, New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability, New Import Capacity Resource that is associated with an Elective Transmission Upgrade, New Demand Capacity Resource, or New Distributed Energy Capacity Resource accepted in the qualification process for participation in the Forward Capacity Auction may submit a New Capacity Offer indicating the

quantity of capacity that the Project Sponsor would commit to provide from the resource during the Capacity Commitment Period at that round's prices. A New Capacity Offer shall be defined by the submission of one to five prices, each strictly less than the Start-of-Round Price but greater than or equal to the End-of-Round Price, and an associated quantity in the applicable Capacity Zone. Each price shall be expressed in units of dollars per kilowatt-month to an accuracy of at most three digits to the right of the decimal point, and each quantity shall be expressed in units of MWs to an accuracy of at most three digits to the right of the decimal point. A New Capacity Offer shall imply a supply curve indicating quantities offered at all of that round's prices, pursuant to the convention of Section III.13.2.3.2(a)(iii).

(ii) If the Project Sponsor of a New Generating Capacity Resource, New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability, New Import Capacity Resource that is associated with an Elective Transmission Upgrade, New Demand Capacity Resource, or New Distributed Energy Capacity Resource elects to offer in a Forward Capacity Auction, the Project Sponsor must offer the resource's full FCA Qualified Capacity at the Forward Capacity Auction Starting Price in the first round of the auction. A New Capacity Offer for a resource may in no event be for greater capacity than the resource's full FCA Qualified Capacity at any price. A New Capacity Offer for a resource may not be for less capacity than the resource's Rationing Minimum Limit at any price, except where the New Capacity Offer is for a capacity quantity of zero.

(iii) Let the Start-of-Round Price and End-of-Round Price for a given round be P_S and P_E , respectively. Let the m prices ($1 \leq m \leq 5$) submitted by a Project Sponsor for a modeled Capacity Zone be p_1, p_2, \dots, p_m , where $P_S > p_1 > p_2 > \dots > p_m \geq P_E$, and let the associated quantities submitted for a New Capacity Resource be q_1, q_2, \dots, q_m . Then the Project Sponsor's supply curve, for all prices strictly less than P_S but greater than or equal to P_E , shall be taken to be:

$$S(p) = \begin{cases} q_0, & \text{if } p > p_1, \\ q_1, & \text{if } p_2 < p \leq p_1, \\ q_2, & \text{if } p_3 < p \leq p_2, \\ \dots & \dots, \\ q_m, & \text{if } p \leq p_m. \end{cases}$$

where, in the first round, q_0 is the resource's full FCA Qualified Capacity and, in subsequent rounds, q_0 is the resource's quantity offered at the lowest price of the previous round.

(iv) The amount of capacity included in each New Capacity Offer at each price shall be included in the aggregate supply curves at that price as described in Section III.13.2.3.3. If the Internal Market Monitor has determined that a New Capacity Resource must use a New Resource Offer Floor Price pursuant to Section III.A.21.2.3, such New Capacity Resource may not include any capacity in a New Capacity Offer during the Forward Capacity Auction at any price below the resource's New Resource Offer Floor Price.

(v) Capacity associated with a New Import Capacity Resource (other than a New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability or a New Import Capacity Resource that is associated with an Elective Transmission Upgrade) shall be automatically included in the aggregate supply curves as described in Section III.13.2.3.3 at prices at or above the resource's offer prices (as established or modified pursuant to Section III.A.21.4) and shall be automatically removed from the aggregate supply curves at prices below the resource's offer prices (as established or modified pursuant to Section III.A.21.4), except under the following circumstances:

In any round of the Forward Capacity Auction in which prices are below the Dynamic De-List Bid Threshold, the Project Sponsor for a New Import Capacity Resource (other than a New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability or a New Import Capacity Resource that is associated with an Elective Transmission Upgrade) with offer prices (as established or modified pursuant to Section III.A.21.4) that are less than the Dynamic De-List Bid Threshold may submit a New Capacity Offer indicating the quantity of capacity that the Project Sponsor would commit to provide from the resource during the Capacity Commitment Period at that round's prices. Such an offer shall be defined by the submission of one to five prices, each less than the Dynamic De-List Bid Threshold (or the Start-of-Round Price, if lower than the Dynamic De-List Bid Threshold) but greater than or equal to the End-of-Round Price, and a single quantity associated with each price. Such an offer shall be expressed in the same form as specified in Section III.13.2.3.2(a)(i) and shall imply a curve indicating quantities at all of

that round's relevant prices, pursuant to the convention of Section III.13.2.3.2(a)(iii). The curve may not increase the quantity offered as the price decreases.

(b) Bids from Existing Capacity Resources

(i) Static De-List Bids, Permanent De-List Bids, Retirement De-List Bids, and Export Bids from Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources and Existing Distributed Energy Capacity Resources, as finalized in the qualification process or as otherwise directed by the Commission shall be automatically bid into the appropriate rounds of the Forward Capacity Auction, such that each such resource's FCA Qualified Capacity will be included in the aggregate supply curves as described in Section III.13.2.3.3 until any Static De-List Bid, Permanent De-List Bid, Retirement D-List Bid, or Export Bid clears in the Forward Capacity Auction, as described in Section III.13.2.5.2, and is removed from the aggregate supply curves. In the case of a Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid at or above the Forward Capacity Auction Starting Price, or where a Permanent De-List Bid or Retirement De-List Bid is subject to an election under Section III.13.1.2.4.1(a), the resource's FCA Qualified Capacity will be reduced by the quantity of the de-list bid (unless the resource was retained for reliability pursuant to Section III.13.1.2.3.1.5.1) and the Permanent De-List Bid or Retirement De-List Bid shall not be included in the Forward Capacity Auction. Permanent De-List Bids and Retirement De-List Bids subject to an election under Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b) shall not be included in the Forward Capacity Auction and shall be treated according to Section III.13.2.3.2(b)(ii). In the case of a Permanent De-List Bid or Retirement De-List Bid, if the Market Participant reduced the Internal Market Monitor-accepted bid pursuant to Section III.13.1.2.3.1.5(d), then the reduced bid shall be used in place of the Internal Market Monitor-accepted bid. In the case of a Static De-List Bid, if the Market Participant revised the bid pursuant to Section III.13.1.2.3.1.1, then the revised bid shall be used in place of the submitted bid; if the Market Participant withdrew the bid pursuant to Section III.13.1.2.3.1.1, then the capacity associated with the withdrawn bid shall be entered into the auction pursuant to Section III.13.2.3.2(c). If the amount of capacity associated with Export Bids for an interface exceeds the transfer limit of that interface (minus any accepted Administrative De-List Bids over that interface), then the set of Export Bids associated with that interface equal to the interface's transfer limit (minus any accepted Administrative De-List Bids over that interface) having the highest bid prices shall be included in the auction as described above; capacity for which Export

Bids are not included in the auction as a result of this provision shall be entered into the auction pursuant to Section III.13.2.3.2(c).

(ii) For Permanent De-List Bids and Retirement De-List Bids, the ISO will enter a Proxy De-List Bid into the appropriate rounds of the Forward Capacity Auction in the following circumstances: (1) if the Lead Market Participant has elected pursuant to Section III.13.1.2.4.1(a) to retire the resource or portion thereof, the resource has not been retained for reliability pursuant to Section III.13.1.2.3.1.5.1, the price specified in the Commission-approved de-list bid is less than the Forward Capacity Auction Starting Price, and the Internal Market Monitor has found a portfolio benefit pursuant to Section III.A.24; or (2) if the Lead Market Participant has elected conditional treatment pursuant to Section III.13.1.2.4.1(b), the resource has not been retained for reliability pursuant to Section III.13.1.2.3.1.5.1, and the price specified in the Commission-approved de-list bid is less than the price specified in the de-list bid submitted by the Lead Market Participant and less than the Forward Capacity Auction Starting Price. The Proxy De-List Bid shall be non-rationable and shall be equal in price and quantity to, and located in the same Capacity Zone as, the Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid, and shall be entered into the appropriate rounds of the Forward Capacity Auction such that the capacity associated with the Proxy De-List Bid will be included in the aggregate supply curves as described in Section III.13.2.3.3 until the Proxy De-List Bid clears in the Forward Capacity Auction, as described in Section III.13.2.5.2, and is removed from the aggregate supply curves. If the Lead Market Participant has elected conditional treatment pursuant to Section III.13.1.2.4.1(b), the resource has not been retained for reliability pursuant to Section III.13.1.2.3.1.5.1, and the Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid is equal to or greater than the de-list bid submitted by the Lead Market Participant, no Proxy De-List Bid shall be used and the Commission-approved de-list bid shall be entered in the Forward Capacity Auction pursuant to Section III.13.2.3.2(b)(i).

(iii) For purposes of this subsection (b), if an Internal Market Monitor-determined price has been established for a Static De-List Bid and the associated resource's capacity is pivotal pursuant to Sections III.A.23.1 and III.A.23.2, then (unless otherwise directed by the Commission) the lower of the Internal Market Monitor-determined price and any revised bid that is submitted pursuant to Section III.13.1.2.3.1.1 will be used in place of the initially submitted bid; provided, however, that if the bid was withdrawn pursuant to Section III.13.1.2.3.1.1, then the capacity associated with the withdrawn bid shall be entered into the auction pursuant to

Section III.13.2.3.2(c). If an Internal Market Monitor-determined price has been established for an Export Bid and the associated resource's capacity is pivotal pursuant to Sections III.A.23.1 and III.A.23.2, then the Internal Market Monitor-determined price (or price directed by the Commission) will be used in place of the submitted bid.

Any Static De-List Bid for ambient air conditions that has not been verified pursuant to Section III.13.1.2.3.2.4 shall not be subject to the provisions of this subsection (b).

(c) **Existing Capacity Resources Without De-List or Export Bids and Self-Supplied FCA Resources.** Each Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, and Existing Distributed Energy Capacity Resources without a Static De-List Bid, a Permanent De-List Bid, a Retirement De-List Bid, an Export Bid or an Administrative Export De-List Bid in its Existing Capacity Qualification Package, and each existing Self-Supplied FCA Resource shall be automatically entered into each round of the Forward Capacity Auction at its FCA Qualified Capacity, such that the resource's FCA Qualified Capacity will be included in the aggregate supply curves as described in Section III.13.2.3.3, except where such resource, if permitted, submits an appropriate Dynamic De-List Bid, as described in Section III.13.2.3.2(d). Each new Self-Supplied FCA Resource shall be automatically entered into each round of the Forward Capacity Auction at its designated self-supplied quantity, such that the resource's designated self-supply quantity will be included in the aggregate supply curves as described in Section III.13.2.3.3. If the Internal Market Monitor has determined that a new Self-Supplied FCA Resource must use a New Resource Offer Floor Price pursuant to Section III.A.21.2.3, the new resource's self-supplied quantity shall be entered into each round of the Forward Capacity Auction at prices at or above the New Resource Offer Floor Price.

(d) **Dynamic De-List Bids.** In any round of the Forward Capacity Auction in which prices are below the Dynamic De-List Bid Threshold, any Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource (but not any Self-Supplied FCA Resources) may submit a Dynamic De-List Bid at prices below the Dynamic De-List Bid Threshold. Such a bid shall be defined by the submission of one to five prices, each less than the Dynamic De-List Bid Threshold (or the Start-of-Round Price, if lower than the Dynamic De-List Bid Threshold) but greater than or equal to the End-of-Round Price, and a single quantity associated with each price. Such a bid shall be expressed in the same form as specified in Section III.13.2.3.2(a)(i) and shall imply a curve indicating quantities at all of that round's relevant prices, pursuant to the convention of Section III.13.2.3.2(a)(iii). The curve may in no case increase the quantity

offered as the price decreases. A dynamic De-List Bid may not offer less capacity than the resource's Rationing Minimum Limit at any price, except where the amount of capacity offered is zero. All Dynamic De-List Bids are subject to a reliability review as described in Section III.13.2.5.2.5, and if not rejected for reliability reasons, shall be included in the round in the same manner as Static De-List Bids as described in Section III.13.2.3.2(b). Where a resource elected pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7 to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, the capacity associated with any resulting Capacity Supply Obligation may not be subject to a Dynamic De-List Bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply. Where a Lead Market Participant submits any combination of Dynamic De-List Bid, Static De-List Bid, Export Bid, and Administrative Export De-List Bid for a single resource, none of the prices in a set of price-quantity pairs associated with a bid may be the same as any price in any other set of price-quantity pairs associated with another bid for the same resource.

(e) **Repowering.** Offers and bids associated with a resource participating in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2 (resources previously counted as capacity resources) shall be addressed in the Forward Capacity Auction in accordance with the provisions of this Section III.13.2.3.2(e). The Project Sponsor shall offer such a New Generating Capacity Resource into the Forward Capacity Auction in the same manner and pursuant to the same rules as other New Generating Capacity Resources, as described in Section III.13.2.3.2(a). As long as any capacity is offered from the New Generating Capacity Resource, the amount of capacity offered is the amount that the auctioneer shall include in the aggregate supply curve at the relevant prices, and the quantity of capacity offered from the associated Existing Generating Capacity Resource shall not be included in the aggregate supply curve. If any portion of the New Generating Capacity Resource clears in the Forward Capacity Auction, the associated Existing Generating Capacity Resource shall be permanently de-listed as of the start of the associated Capacity Commitment Period. If at any price, no capacity is offered from the New Generating Capacity Resource, then the auctioneer shall include capacity from the associated Existing Generating Capacity Resource at that price, subject to any bids submitted and accepted in the qualification process for that Existing Generating Capacity Resource pursuant to Section III.13.1.2.5. Bids submitted and accepted in the qualification process for an Existing Generating Capacity Resource pursuant to Section III.13.1.2.5 shall only be entered into the Forward Capacity Auction after the associated New Generating Capacity Resource is fully withdrawn (that is, the Forward Capacity Auction

reaches a price at which the resource's New Capacity Offer is zero capacity), and shall only then be subject to the reliability review described in Section III.13.2.5.2.5.

(f) [Reserved.]

~~**Conditional Qualified New Resources.** Offers associated with a resource participating in the Forward Capacity Auction as a Conditional Qualified New Resource pursuant to Section III.13.1.1.2.3(f) shall be addressed in the Forward Capacity Auction in accordance with the provisions of this Section III.13.2.3.2(f). The Project Sponsor shall offer such a Conditional Qualified New Resource into the Forward Capacity Auction in the same manner and pursuant to the same rules as other New Generating Capacity Resources, as described in Section III.13.2.3.2(a). An offer from at most one resource at a Conditional Qualified New Resource's location will be permitted to clear (receive a Capacity Supply Obligation for the associated Capacity Commitment Period) in the Forward Capacity Auction. As long as a positive quantity is offered at the End of Round Price in the final round of the Forward Capacity Auction by the resource having a higher queue priority at the Conditional Qualified New Resource's location, as described in Section III.13.1.1.2.3(f), then no capacity from the Conditional Qualified New Resource shall clear. If at any price greater than or equal to the End of Round Price in the final round of the Forward Capacity Auction, zero quantity is offered from the resource having higher queue priority at the Conditional Qualified New Resource's location, as described in Section III.13.1.1.2.3(f), then the auctioneer shall consider capacity offered from the Conditional Qualified New Resource in the determination of clearing, including the application of Section III.13.2.7.~~

(g) **Mechanics.** Offers and bids that may be submitted during a round of the Forward Capacity Auction must be received between the starting time and ending time of the round, as announced by the auctioneer in advance. The ISO at its sole discretion may authorize a participant in the auction to complete or correct its submission after the ending time of a round, but only if the participant can demonstrate to the ISO's satisfaction that the participant was making reasonable efforts to complete a valid offer submission before the ending time of the round, and only if the ISO determines that allowing the completion or correction will not unreasonably disrupt the auction process. All decisions by the ISO concerning whether or not a participant may complete or correct a submission after the ending time of a round are final.

III.13.2.3.3.

Step 3: Determination of the Outcome of Each Round.

The auctioneer shall use the offers and bids for the round as described in Section III.13.2.3.2 to determine the aggregate supply curves for the New England Control Area and for each modeled Capacity Zone included in the round.

The aggregate supply curve for the New England Control Area, the Total System Capacity, shall reflect at each price the sum of the following:

- (1) the amount of capacity offered in all Capacity Zones modeled as import-constrained Capacity Zones at that price (excluding capacity offered from New Import Capacity Resources and Existing Import Capacity Resources);
- (2) the amount of capacity offered in the Rest-of-Pool Capacity Zone at that price (excluding capacity offered from New Import Capacity Resources and Existing Import Capacity Resources);
- (3) for each Capacity Zone modeled as an export-constrained Capacity Zone, the lesser of:
 - (i) the amount of capacity offered in the Capacity Zone at that price (including the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources for each interface between the New England Control Area and an external Control Area mapped to the export-constrained Capacity Zone up to that interface's approved capacity transfer limit (net of tie benefits)), or;
 - (ii) the amount of capacity determined by the Capacity Zone Demand Curve at zero minus that price, and;
- (4) for each interface between the New England Control Area and an external Control Area mapped to an import-constrained Capacity Zone or the Rest-of-Pool Capacity Zone, the lesser of:
 - (i) that interface's approved capacity transfer limit (net of tie benefits), or;
 - (ii) the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources.

In computing the Total System Capacity, capacity associated with any New Capacity Offer at any price greater than the Forward Capacity Auction Starting Price will not be included in the tally of total capacity at the Forward Capacity Auction Starting Price for that Capacity Zone. On the basis of these aggregate supply curves, the auctioneer shall determine the outcome of the round for each modeled Capacity Zone as follows:

(a) **Import-Constrained Capacity Zones.**

For a Capacity Zone modeled as an import-constrained Capacity Zone, if either of the following two conditions is met during the round:

- (1) the aggregate supply curve for the import-constrained Capacity Zone, adjusted as necessary in accordance with Section III.13.2.6 (Capacity Rationing Rule), equals or is less than the quantity determined by the Capacity Zone Demand Curve at the difference between the End-of-Round Price and the price specified by the System-Wide Capacity Demand Curve (at a quantity no less than Total System Capacity at the Start-of-Round Price), or;
- (2) the Forward Capacity Auction is concluded for the Rest-of-Pool Capacity Zone;

then the Forward Capacity Auction for that Capacity Zone is concluded and such Capacity Zone will not be included in further rounds of the Forward Capacity Auction.

The Capacity Clearing Price for that Capacity Zone shall be set at the greater of: (1) the sum of the price specified by the Capacity Zone Demand Curve at the amount of capacity equal to the total amount that is awarded a Capacity Supply Obligation in the import-constrained Capacity Zone, and the Capacity Clearing Price for the Rest-of-Pool Capacity Zone, or; (2) the highest price of any offer or bid for a resource in the Capacity Zone that is awarded a Capacity Supply Obligation, subject to the other provisions of this Section III.13.2.

If neither of the two conditions above are met in the round, then that Capacity Zone will be included in the next round of the Forward Capacity Auction.

(b) **Rest-of-Pool Capacity Zone.**

If the Total System Capacity at the End-of-Round Price, adjusted as necessary in accordance with Section III.13.2.6 (Capacity Rationing Rule), and adjusted to include the additional supply in the import-constrained Capacity Zone that may be cleared at a higher price, equals or is less than the amount of capacity determined by the System-Wide Capacity Demand Curve, then the Forward Capacity Auction for the Rest-of-Pool Capacity Zone is concluded and the Rest-of-Pool Capacity Zone will not be included in further rounds of the Forward Capacity Auction.

The Capacity Clearing Price for the Rest-of-Pool Capacity Zone shall be set at the highest price at which the Total System Capacity is less than or equal to the amount of capacity determined by the System-Wide Capacity Demand Curve, subject to the other provisions of this Section III.13.2.

If the Forward Capacity Auction for the Rest-of-Pool Capacity Zone is not concluded then the Rest-of-Pool Capacity Zone will be included in the next round of the Forward Capacity Auction, and the auctioneer shall publish the Total System Capacity at the End-of-Round Price, adjusted to include the additional supply in the import-constrained Capacity Zone that may be cleared at a higher price, less the amount of capacity determined by the System-Wide Capacity Demand Curve at the End-of-Round Price.

(c) Export-Constrained Capacity Zones.

For a Capacity Zone modeled as an export-constrained Capacity Zone, if all of the following conditions are met during the round:

- (1) the aggregate supply curve for the export-constrained Capacity Zone, adjusted as necessary in accordance with Section III.13.2.6 (Capacity Rationing Rule), is equal to or less than the maximum amount of capacity determined by the Capacity Zone Demand Curve at a price of zero;
- (2) in the case of a nested Capacity Zone, the Forward Capacity Auction is concluded for the Capacity Zone within which the nested Capacity Zone is located, and;
- (3) the Forward Capacity Auction is concluded for the Rest-of-Pool Capacity Zone;

then the Forward Capacity Auction for that Capacity Zone is concluded and such Capacity Zone will not be included in further rounds of the Forward Capacity Auction.

The Capacity Clearing Price for an export-constrained Capacity Zone that is not a nested export-constrained Capacity Zone shall be set at the greater of:

- (1) the sum of:
 - (i) the price specified by the Capacity Zone Demand Curve at the amount of capacity equal to the total amount that is awarded a Capacity Supply Obligation in that Capacity Zone; and
 - (ii) the Capacity Clearing Price for the Rest-of-Pool Capacity Zone.or;
- (2) the highest price of any offer or bid for a resource in the Capacity Zone that is awarded a Capacity Supply Obligation, and subject to the other provisions of this Section III.13.2.

The Capacity Clearing Price for a nested export-constrained Capacity Zone shall be set at the greater of:

(1) the sum of:

- (i) the price specified by the Capacity Zone Demand Curve at the amount of capacity equal to the total amount that is awarded a Capacity Supply Obligation in that Capacity Zone; and
- (ii) the Capacity Clearing Price for the Capacity Zone in which the nested Capacity Zone is located,

or;

- (2) the highest price of any offer or bid for a resource in the Capacity Zone that is awarded a Capacity Supply Obligation, subject to the other provisions of this Section III.13.2.

If all of the conditions above are not satisfied in the round, then the auctioneer shall publish the quantity of excess supply in the export-constrained Capacity Zone at the End-of-Round Price (the amount of capacity offered at the End-of-Round Price in the export-constrained Capacity Zone minus the maximum amount of capacity determined by the Capacity Zone Demand Curve at a price of zero) and that Capacity Zone will be included in the next round of the Forward Capacity Auction.

(d) **Treatment of Import Capacity.** Where the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over an interface between the New England Control Area and an external Control Area is less than or equal to that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the capacity offers from those resources shall be treated as capacity offers in the modeled Capacity Zone associated with that interface. Where the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over an interface between the New England Control Area and an external Control Area is greater than that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the following provisions shall apply (separately for each such interface):

- (i) For purposes of determining which capacity offers from the New Import Capacity Resources and Existing Import Capacity Resources over the interface shall clear and at what price, the offers over the interface shall be treated in the descending-clock auction as if they comprised a separately-modeled export-constrained capacity zone, with an aggregate supply curve consisting of the offers from the New Import Capacity Resources and Existing Import Capacity Resources over the interface.

(ii) The amount of capacity offered over the interface that will be included in the aggregate supply curve of the modeled Capacity Zone associated with the interface shall be the lesser of the following two quantities: the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over the interface; and the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF).

(iii) The Forward Capacity Auction for New Import Capacity Resources and Existing Import Capacity Resources over the interface is concluded when the following two conditions are both satisfied: the amount of capacity offered from New Import Capacity Resource and Existing Import Capacity Resources over the interface is less than or equal to the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF); and the Forward Capacity Auction is concluded in the modeled Capacity Zone associated with the interface.

(e) **Treatment of Export Capacity.** Any Export Bid or any Administrative Export De-List Bid that is used to export capacity through an export interface connected to an import-constrained Capacity Zone from another Capacity Zone, or through an export interface connected to the Rest-of-Pool Capacity Zone from an export-constrained Capacity Zone in the Forward Capacity Auction will be modeled in the Capacity Zone where the export interface that is identified in the Existing Capacity Qualification Package is located. The Export Bid or Administrative Export De-List Bid clears in the Capacity Zone where the Export Bid or Administrative Export De-List Bid is modeled.

(i) Then the MW quantity equal to the relevant Export Bid or Administrative Export De-List Bid from the resource associated with the Export Bid or Administrative Export De-List Bid will be de-listed in the Capacity Zone where the resource is located. If the export interface is connected to an import-constrained Capacity Zone, the MW quantity procured will be in addition to the amount of capacity determined by the Capacity Zone Demand Curve for the import-constrained Capacity Zone.

(ii) If the Export Bid or Administrative Export De-List Bid does not clear, then the resource associated with the Export Bid or Administrative Export De-List Bid will not be de-listed in the Capacity Zone where the resource is located.

III.13.2.3.4. Determination of Final Capacity Zones.

(a) For all Forward Capacity Auctions up to and including the sixth Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2015), after the Forward Capacity Auction is concluded for all modeled Capacity Zones, the final set of distinct Capacity Zones that will be used for all purposes associated with the relevant Capacity Commitment Period, including for the purposes of reconfiguration auctions and Capacity Supply Obligation Bilaterals, shall be those having distinct Capacity Clearing Prices as a result of constraints between modeled Capacity Zones binding in the running of the Forward Capacity Auction. Where a modeled constraint does not bind in the Forward Capacity Auction, and as a result adjacent modeled Capacity Zones clear at the same Capacity Clearing Price, those modeled Capacity Zones shall be a single Capacity Zone used for all purposes of the relevant Capacity Commitment Period, including for the purposes of reconfiguration auctions and Capacity Supply Obligation Bilaterals.

(b) For all Forward Capacity Auctions beginning with the seventh Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2016) the final set of distinct Capacity Zones that will be used for all purposes associated with the relevant Capacity Commitment Period, including for the purposes of reconfiguration auctions and Capacity Supply Obligation Bilaterals, shall be those described in Section III.12.4.

III.13.2.4. Forward Capacity Auction Starting Price and the Cost of New Entry.

III.13.2.4.1 Calculation of Forward Capacity Auction Starting Price, CONE, and Net CONE.

The Forward Capacity Auction Starting Price is max [1.6 multiplied by Net CONE, CONE]. References in this Section III.13 to the Forward Capacity Auction Starting Price shall mean the Forward Capacity Auction Starting Price for the Forward Capacity Auction associated with the relevant Capacity Commitment Period.

CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2025 is \$12.400/kW-month.

Net CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2025 is \$7.468/kW-month.

The ISO shall recalculate CONE and Net CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2030. Thereafter, CONE and Net CONE shall be recalculated no less often than once every four years. Whenever these values are recalculated, the ISO will review the results of the recalculation with stakeholders and the new values will be filed with the Commission prior to the Forward Capacity Auction in which the new value is to apply.

III.13.2.4.2 Interim Year Adjustments to CONE and Net CONE.

For years in which no full recalculation is performed pursuant to Section III.13.2.4.1, CONE and Net CONE will be adjusted for each Forward Capacity Auction with the following updates to the capital budgeting model used to calculate the CONE and Net CONE values set forth above in this Section III.13.2.4. The annual adjustment to CONE and Net CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2028, shall use a cost of debt of 6.85% and a cost of equity of 13.80%. These values shall also be used for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2029.

- (1) Each line item associated with capital costs that is included in the capital budgeting model will be updated to reflect changes in the Bureau of Labor Statistics Producer Price Index for Machinery and Equipment: General Purpose Machinery and Equipment (WPU114).
- (2) For each line item in (1) above, the ISO shall calculate a multiplier that is equal to the average of values published during the most recent 12 month period available at the time of making the adjustment divided by the average of the most recent 12 month period available at the time of establishing the CONE and Net CONE values set forth in Section III.13.2.4.1. The value of each line item associated with capital costs in the capital budgeting model will be adjusted by the relevant multiplier.
- (3) The energy and ancillary services offset values in the capital budgeting model shall be adjusted by inputting to the capital budgeting model the Henry Hub natural gas futures prices, the Algonquin Citygates Basis natural gas futures prices and the Massachusetts Hub Day-Ahead Peak electricity prices, as published by ICE for the first five trading days in February, for each month of the Capacity Commitment Period to which the updated value will apply.
- (4) The CONE and Net CONE values adjusted pursuant to this Section III.13.2.4.2 will be published on the ISO's web site.

- (5) If any of the values required for the calculations described in this Section III.13.2.4.2 are unavailable, then comparable values, prices or sources shall be used.

III.13.2.5. Treatment of Specific Offer and Bid Types in the Forward Capacity Auction.

III.13.2.5.1. Offers from New Generating Capacity Resources, New Import Capacity Resources, New Demand Capacity Resources, and New Distributed Energy Capacity Resources.

A New Capacity Offer ~~(other than one from a Conditional Qualified New Resource)~~ clears (receives a Capacity Supply Obligation for the associated Capacity Commitment Period) in the Forward Capacity Auction if the Capacity Clearing Price is greater than or equal to the price specified in the offer, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6. ~~An offer from a Conditional Qualified New Resource clears (receives a Capacity Supply Obligation for the associated Capacity Commitment Period) in the Forward Capacity Auction, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6, if all of the following conditions are met: (i) the Capacity Clearing Price is greater than or equal to the price specified in the offer; (ii) capacity from that resource is considered in the determination of clearing as described in Section III.13.2.3.2(f); and (iii) such offer minimizes the costs for the associated Capacity Commitment Period, subject to Section III.13.2.7.7(c).~~

The amount of capacity that receives a Capacity Supply Obligation through the Forward Capacity Auction shall not exceed the quantity of capacity offered in the New Capacity Offer at the Capacity Clearing Price.

III.13.2.5.2. Bids and Offers from Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources, and Existing Distributed Energy Capacity Resources.

III.13.2.5.2.1. Permanent De-List Bids and Retirement De-List Bids.

- (a) Except as provided in Section III.13.2.5.2.5, a Permanent De-List Bid, Retirement De-List Bid or Proxy De-List Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply

Obligation) if the Capacity Clearing Price is less than or equal to the price specified in the bid, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6.

(b) Unless the capacity has been retained for reliability pursuant to Section III.13.2.5.2.5, if all or part of a resource with a Permanent De-List Bid or Retirement De-List Bid does not clear in the Forward Capacity Auction (receives a Capacity Supply Obligation), the Lead Market Participant shall enter the uncleared portion of the bid into the qualification process for the following Forward Capacity Auction as described in Section III.13.1.2.3.1.5.

(c) If the Capacity Clearing Price is greater than the price specified in a de-list bid submitted by a Lead Market Participant that elected conditional treatment for the de-list bid pursuant to Section III.13.1.2.4.1(b), and there is an associated Proxy De-List Bid that does not clear (receives a Capacity Supply Obligation), the resource will receive a Capacity Supply Obligation at the Capacity Clearing Price.

(d) The process by which the primary auction is cleared (but not the compilation of offers and bids pursuant to Sections III.13.2.3.1 and III.13.2.3.2) will be repeated after the substitution auction is completed if one of the following conditions is met: (1) if any Proxy De-List Bid entered as a result of a Lead Market Participant electing to retire pursuant to Section III.13.1.2.4.1(a) does not clear (receives a Capacity Supply Obligation) in the first run of the primary auction-clearing process and retains some portion of its Capacity Supply Obligation in the substitution auction; or (2) if any Proxy De-List Bid entered as a result of a Lead Market Participant electing conditional treatment pursuant to Section III.13.1.2.4.1(b) does not clear (receives a Capacity Supply Obligation) in the first run of the primary auction-clearing process, the de-list bid submitted by the Lead Market Participant is at or above the Capacity Clearing Price, and the Proxy De-List Bid retains some portion of its Capacity Supply Obligation in the substitution auction. The second run of the primary auction-clearing process: (i) excludes all Proxy De-List Bids, (ii) includes the offers and bids of resources compiled pursuant to Section III.13.2.3.2 that did not receive a Capacity Supply Obligation in the first run of the primary auction-clearing process, excluding the offers, or portion thereof, associated with resources that acquired a Capacity Supply Obligation in the substitution auction, and (iii) includes the capacity of resources, or portion thereof, that retain a Capacity Supply Obligation after the first run of the primary auction-clearing process and the substitution auction. The second run of the primary auction-clearing process shall not affect the Capacity Clearing Price of the Forward Capacity Auction (which is established by the first run of the primary auction-clearing process).

(e) Resources (other than those still subject to a multi-year Capacity Commitment Period election as described in Sections III.13.1.1.2.2.4 and III.13.1.4.1.1.2.7) that receive a Capacity Supply Obligation as a result of the first run of the primary auction-clearing process shall be paid the Capacity Clearing Price during the associated Capacity Commitment Period. Where the second run of the primary auction-clearing process procures additional capacity, the resulting price, paid during the associated Capacity Commitment Period (and subsequent Capacity Commitment Periods, as elected pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7) to the additionally procured capacity, shall be equal to or greater than the adjusted price resulting from the first run of the primary auction-clearing process for that Capacity Zone.

III.13.2.5.2.2. Static De-List Bids and Export Bids.

Except as provided in Section III.13.2.5.2.5, a Static De-List Bid or an Export Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply Obligation for the associated Capacity Commitment Period) if the Capacity Clearing Price is less than or equal to the price specified in the bid, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6.

III.13.2.5.2.3. Dynamic De-List Bids.

A Dynamic De-List Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply Obligation for the associated Capacity Commitment Period) if the Capacity Clearing Price is less than or equal to the price specified in the bid, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6. If more Dynamic De-List Bids are submitted at a price than are needed to clear the market, such Dynamic De-List Bids shall be cleared pro-rata, but in no case less than a resource's Rationing Minimum Limit.

III.13.2.5.2.4. Administrative Export De-List Bids.

An Administrative Export De-List Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply Obligation for the associated Capacity Commitment Period) regardless of the Capacity Clearing Price.

III.13.2.5.2.5. Reliability Review.

The ISO shall review each Retirement De-List Bid, Permanent De-List Bid, Static De-List Bid, Export Bid, Administrative Export De-List Bid, Dynamic De-List Bid, and substitution auction demand bid to determine whether the capacity associated with that bid is needed for reliability reasons during the

Capacity Commitment Period associated with the Forward Capacity Auction; Proxy De-List Bids shall not be reviewed.

(a) The reliability review of de-list bids will be conducted in descending price order using the price as finalized during qualification or as otherwise directed by the Commission. De-list bids with the same price will be reviewed in the order that produces the least negative impact to reliability; where bids are the same price and provide the same impact to reliability, they will be reviewed based on their submission time. If de-list bids with the same price are from a single generating station, they will be reviewed in an order that seeks to provide (1) the least-cost solution under Section III.13.2.5.2.5.1(d) and (2) the minimum aggregate quantity required for reliability from the generating station. The reliability review of substitution auction demand bids that would otherwise clear will be conducted in order beginning with the resource whose cleared bids contribute the greatest amount to social surplus. The capacity associated with a bid shall be deemed needed for reliability reasons if the absence of the capacity would result in the violation of any NERC or NPCC criteria, or ISO New England System Rules. Bids shall only be rejected pursuant to this Section III.13.2.5.2.5 for the sole purpose of addressing a local reliability issue, and shall not be rejected solely on the basis that acceptance of the bid may result in the procurement of less capacity than the Installed Capacity Requirement (net of HQICCs) or the Local Sourcing Requirement for a Capacity Zone.

(b) If a Retirement De-List Bid, Permanent De-List Bid, Static De-List Bid, Export Bid, Administrative Export De-List Bid, or Dynamic De-List Bid would otherwise clear in the Forward Capacity Auction, but the ISO has determined that some or all of the capacity associated with the de-list bid is needed for reliability reasons, then the de-list bid having capacity needed for reliability will not clear in the Forward Capacity Auction. If the ISO has determined that some or all of the capacity associated with a substitution auction demand bid that would otherwise clear is needed for reliability reasons, then the entire demand bid will not be further included in the substitution auction.

(c) The Lead Market Participant shall be notified that its bid did not clear for reliability reasons at the later of: (i) immediately after the end of the Forward Capacity Auction round in which the auction price reaches the price of the de-list bid; or (ii) as soon as practicable after the time at which the ISO has determined that the bid must be rejected for reliability reasons. In no event, however, shall a Lead Market Participant be notified that a bid submitted pursuant to Section III.13.1.2.5 and accepted in the qualification process for an Existing Generating Capacity Resource did not clear for reliability reasons if the associated New Generating Capacity Resource remains in the Forward Capacity Auction. In such a

case, the Lead Market Participant shall be notified that its bid did not clear for reliability reasons at the later of: (i) immediately after the end of the Forward Capacity Auction round in which the auction price reaches the price of the bid; (ii) immediately after the end of the Forward Capacity Auction round in which the associated New Generating Capacity Resource is fully withdrawn (that is, the Forward Capacity Auction reaches a price at which the resource's New Capacity Offer is zero capacity); or (iii) as soon as practicable after the time at which the ISO has determined that the bid must be rejected for reliability reasons.

(d) A resource that has a de-list bid rejected for reliability reasons shall be compensated pursuant to the terms set out in Section III.13.2.5.2.5.1 and shall have a Capacity Supply Obligation as described in Section III.13.6.1.

(e) The ISO shall review the results of each annual reconfiguration auction and determine whether the reliability need which caused the ISO to reject the de-list bid has been met through the annual reconfiguration auction. The ISO may also attempt to address the reliability concern through other reasonable means (including transmission enhancements).

(f) If the reliability need that caused the ISO to reject a de-list bid is met through a reconfiguration auction or other means, the resource shall retain its Capacity Supply Obligation through the end of the Capacity Commitment Period for which it was retained for reliability (provided that resources that have Permanent De-List Bids or Retirement De-List Bids rejected for reliability shall be permanently de-listed or retired as of the first day of the subsequent Capacity Commitment Period (or earlier if the resource sheds the entirety of the Capacity Supply Obligation as described in Section III.13.2.5.2.5.3(a)(ii) or Section III.13.2.5.2.5.3(b)(ii))).

(g) If a Permanent De-List Bid or a Retirement De-List Bid is rejected for reliability reasons, and the reliability need is not met through a reconfiguration auction or other means, that resource, or portion thereof, as applicable, is no longer eligible to participate as an Existing Capacity Resource in any reconfiguration auction, Forward Capacity Auction or Capacity Supply Obligation Bilateral for that and subsequent Capacity Commitment Periods. If the resource, or portion thereof, continues to be needed for reliability reasons, it shall be counted as capacity in the Forward Capacity Auction and shall be compensated as described in Section III.13.2.5.2.5.1.

(h) The ISO shall review with the Reliability Committee (i) the status of any prior rejected de-list bids reported to the Commission in an FCA results filing pursuant to Section 13.8.2, and (ii) the status of any Retirement De-List Bid or Permanent De-List Bid that has been rejected for reliability reasons and has elected to continue to operate, prior to the New Capacity Qualification Deadline in accordance with Section 4.1(c) of Attachment K of the ISO OATT.

If an identified reliability need results in the rejection of a Retirement De-List Bid, Permanent De-List Bid, Export Bid, Administrative Export De-List Bid, Static De-List Bid, or Dynamic De-List Bid while executing an FCA, the ISO shall (i) review each specific reliability need with the Reliability Committee in accordance with the timing provided for in the ISO New England Operating Documents and, (ii) update the current system Needs Assessments pursuant to Section 4.1(c) of Attachment K of the ISO OATT. This review and update will follow ISO's filing of the FCA results with the Commission pursuant to Section 13.8.2.

III.13.2.5.2.5A Fuel Security Reliability Review

(a) This Section III.13.2.5.2.5A will remain in effect for the 2022/23, 2023/24 and 2024/25 Capacity Commitment Period, after which this Section III.13.2.5.2.5A will sunset.

(b) This Section III.13.2.5.2.5A will apply to (i) Retirement De-List Bids, (ii) substitution auction demand bids, and (iii) bilateral transactions and reconfiguration auctions demand bids submitted by an Existing Generating Capacity Resource that has been identified as being needed for fuel security during a Forward Capacity Auction. Terms set out in this Section III.13.2.5.2.5A will apply only for the period and resources described within this Section III.13.2.5.2.5A. Where the terms and conditions in this Section III.13.2.5.2.5A differ from terms otherwise set out in Section III.13, the terms of this Section III.13.2.5.2.5A will control for the period and circumstances described in Section III.13.2.5.2.5A.

(c) A fuel security reliability review for the Forward Capacity Market will be performed pursuant to Appendix L to Section III of the Tariff, and in accordance with the inputs and methodology set out to establish the fuel security reliability standard in Appendix I of Planning Procedure No. 10.

(d) For fuel security reliability reviews performed for the primary Forward Capacity Auction, the fuel security reliability review will be performed after the Existing Capacity Retirement Deadline and conducted in descending price order using the price as submitted in the Retirement De-List Bids. Bids

with the same price will be reviewed in the order that produces the least negative impact to reliability. Where multiple bids have the same price and the retirement of the Existing Generating Capacity Resources would have the same impact to reliability, they will be reviewed based on their submission time. If bids with the same price are from a single generating station, they will be reviewed in an order that seeks to provide (1) the least-cost solution under Section III.13.2.5.2.5.1(d), and (2) the minimum aggregate quantity required for reliability from the generating station. An Existing Generating Capacity Resource may be needed for both fuel security and for transmission security pursuant to Section III.13.2.5.2.5. The fuel security reliability review will be performed in advance of the reliability review for transmission security. Where an Existing Generating Capacity Resource is needed for both fuel security reasons pursuant to this Section III.13.2.5.2.5A, and transmission security reliability reasons pursuant to Section III.13.2.5.2.5, the generator will be retained for fuel security for purposes of cost allocation.

(e) If an Existing Generating Capacity Resource is identified as being needed for fuel security reasons, and the reliability need is not met through a reconfiguration auction or other means, that resource, or portion thereof, as applicable may not participate in Annual Reconfiguration Auctions for the Capacity Commitment Period(s) for which it is needed for fuel security, or earlier 2022/23, 2023/24 and 2024/25 Capacity Commitment Periods. Such an Existing Generating Capacity Resource that is identified as being needed for fuel security may participate in monthly bilateral transactions and monthly reconfiguration auctions, but may not submit monthly bilateral transactions for December, January or February, or demand bids for the December, January, or February monthly reconfiguration auctions for any period for which they have been identified as being needed for fuel security.

(f) Participants that have submitted a Retirement De-List Bid will be notified by ISO New England if their resource is needed for fuel security reliability reasons no later than 90 days after the Existing Capacity Retirement Deadline. Participants that have submitted a substitution auction demand bid, and where the demand bid has been rejected for reliability reasons, will be notified after the relevant Forward Capacity Auction has been completed.

(g) Where a Retirement De-List Bid would otherwise clear in the Forward Capacity Auction, but the ISO has determined that some or all of the capacity associated with the de-list bid is needed for fuel security reliability reasons, the provisions of III.13.2.5.2.5(b) shall apply.

(h) Existing Generating Capacity Resources that have had their Retirement De-list Bid rejected for fuel security reliability reasons and that do not elect to unconditionally or conditionally retire shall be eligible for compensation pursuant to Section III.13.2.5.2.5.1, except that the difference between payments based on resource de-list bids or cost-of-service compensation as detailed in Section III.13.2.5.2.5.1 and payments based on the Capacity Clearing Price for the Forward Capacity Market under this Section III.13.2.5.2.5.1 shall be allocated on a regional basis to Real Time Load Obligation, excluding Real-Time Load Obligation associated with Dispatchable Asset Related Demand Resources (DARD Pumps and other electric storage based DARDs) and Real-Time Load Obligation associated with Coordinated External Transactions, allocated and collected over a 12 month period. Resources that are identified as needed for fuel security reliability reasons will have their capacity entered into the Forward Capacity Auction pursuant to III.13.2.5.2.5(g) and III.13.2.3.2(b).

(i) Where an Existing Generating Capacity Resource elects a cost-of-service agreement pursuant to Section III.13.2.5.2.5.1 to address a fuel security reliability need, the term of such a cost-of-service agreement may not exceed two years, including renewal through evergreen provisions. A cost-of-service agreement entered into for the 2024/2025 Capacity Commitment Period shall be limited to a total duration of one year.

(j) The ISO shall perform an annual reevaluation of any Existing Generating Capacity Resources retained for reliability under this provision. If a resource associated with a Retirement De-List Bid that was rejected for reliability reasons pursuant to this section, is found to no longer be needed for fuel security, and is not needed for another reliability reason pursuant to Section III.13.2.5.2.5, the resource will be retired from the system as described in Section III.13.2.5.2.5.3(a)(1). In no case will a resource retained for fuel security be retained for fuel security beyond June 1, 2025.

(k) The ISO will review Retirement De-List Bids rejected for fuel security reliability reasons with the Reliability Committee in the same manner as described in Section III.13.2.5.2.5(h).

III.13.2.5.2.5.1. Compensation for Bids Rejected for Reliability Reasons.

(a) In cases where a Static De-List Bid, Export Bid, Administrative Export De-List Bid, Dynamic De-List Bid, partial Permanent De-List Bid, or partial Retirement De-List Bid has been rejected for reliability reasons pursuant to Sections III.13.1.2.3.1.5.1 or III.13.2.5.2.5, the resource will be paid by the ISO in the same manner as all other capacity resources, except that payment shall be made on the basis of its de-list bid as accepted for the Forward Capacity Auction for the relevant Capacity Commitment Period

instead of the Forward Capacity Market Clearing Price. Under this Section, accepted Dynamic De-List Bids filed with the Commission as part of the FCA results filing are subject to review and approval by the Commission pursuant to the “just and reasonable” standard of Section 205 of the Federal Power Act. If a resource with a partial Permanent De-List Bid or partial Retirement De-List Bid continues to be needed for reliability in Capacity Commitment Periods following the Capacity Commitment Period for which the partial Permanent De-List Bid or partial Retirement De-List Bid was rejected, payment will continue to be pursuant to this Section III.13.2.5.2.5.1(a).

(b) In cases where a Permanent De-List Bid or a Retirement De-List Bid for the capacity of an entire resource has been rejected for reliability reasons pursuant to Section III.13.1.2.3.1.5.1 or III.13.2.5.2.5, the resource will be paid either (i) in the same manner as all other capacity resources, except that payment shall be made on the basis of its Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid for the relevant Capacity Commitment Period instead of the Forward Capacity Market Clearing Price or (ii) under the terms of a cost-of-service agreement pursuant to Section III, Appendix I. Resources must notify the ISO of their election within six months after the ISO files the results of the relevant Forward Capacity Auction with the Commission. A resource that has had a Permanent De-List Bid or Retirement De-List Bid rejected for reliability reasons and does not notify the ISO of its election as described in this paragraph will be paid on the basis of the resource’s Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid. Cost-of-service agreements must be filed with and approved by the Commission, and cost-of-service compensation may not commence until the Commission has approved the use of cost-of-service rates for the unit in question or has accepted the use of the cost-of-service rates subject to refund while the rate is reviewed. In no event will payment under the cost-of-service agreement start prior to the start of the relevant Capacity Commitment Period for which the Permanent De-List Bid or Retirement De-List Bid was submitted. If a resource continues to be needed for reliability in Capacity Commitment Periods following the Capacity Commitment Period for which the Permanent De-List Bid or Retirement De-List Bid was rejected, payment will continue to be pursuant to this Section III.13.2.5.2.5.1(b). Resources that elect payment based on the Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid may file with the Commission pursuant to Section 205 of the Federal Power Act to update its Permanent De-List Bid or Retirement De-List Bid if the unit is retained for reliability for a period longer than the Capacity Commitment Period for which the Permanent De-List Bid or Retirement De-List Bid was originally submitted.

(c) The difference between payments based on resource de-list bids or cost-of-service compensation as detailed in this Section III.13.2.5.2.5.1 and payments based on the market clearing price for the Forward Capacity Market under this Section III.13.2.5.2.5.1 shall be allocated to Regional Network Load within the affected Reliability Region.

(d) **Compensation for Existing Generating Capacity Resources at Stations with Common Costs that are Retained for Reliability.** If a Static De-List Bid, Permanent De-List Bid, or Retirement De-List Bid from an Existing Generating Capacity Resource that is associated with a Station having Common Costs is rejected for reliability reasons, the Existing Generating Capacity Resource will be paid as follows: (i) if one or more Existing Generating Capacity Resources at the Station assume a Capacity Supply Obligation through the normal clearing of the Forward Capacity Auction and one or more Existing Generating Capacity Resources are retained for reliability, then the Existing Generating Capacity Resources retained for reliability will be paid the sum of the Asset-Specific Going Forward Costs for the assets comprising that Existing Generating Capacity Resource; or (ii) if no Existing Generating Capacity Resources at the Station assumes a Capacity Supply Obligation through the normal clearing of the Forward Capacity Auction and one or more Existing Generating Capacity Resources are retained for reliability, then each Existing Generating Capacity Resource retained for reliability will be paid the sum of the Asset-Specific Going Forward Costs for the assets associated with that Existing Generating Capacity Resource plus a portion of the Station Going Forward Common Costs (such that the full amount of Station Going Forward Common Costs are allocated to the Existing Generating Capacity Resources retained for reliability).

(e) If ISO-NE is a party to a cost-of-service agreement filed after January 1, 2019 that changes any resource performance-related obligations contained in Section III, Appendix I (provided that those obligations are different than the obligations of an Existing Generating Capacity Resource with a Capacity Supply Obligation), no later than 30 days after such agreement is filed with the Commission, ISO-NE shall provide to stakeholders quantitative and qualitative information on the need for, and the impacts of, the proposed changes.

III.13.2.5.2.5.2. Incremental Cost of Reliability Service From Permanent De-List Bid or Retirement De-List Bid Resources.

In cases where an Existing Generating Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource has had a Permanent De-List Bid or Retirement De-List Bid for the entire resource rejected for reliability reasons pursuant to Sections III.13.1.2.3.1.5.1 or

III.13.2.5.2.5, does not elect to retire pursuant to Section III.13.1.2.3.1.5.1(d), and must make a capital improvement to the unit to remain in operation in order to continue to operate to meet the reliability need identified by the ISO, the resource may make application to the Commission pursuant to Section 205 of the Federal Power Act to receive just and reasonable compensation of the capital investment pursuant to the following:

(a) **Notice to State Utility Commissions, the ISO and Stakeholder Committees of Expectation that a Capital Expense will be Necessary to Meet the Reliability Need Identified by the ISO:**

A resource seeking to avail itself of the recovery mechanism provided in this Section must notify the state utility commissions in the states where rate payers will fund the capital improvement, the ISO, and the Participants Committee of its intent to make the capital expenditure and the need for the expenditure. This notification must be made at least 120 days prior to the resource making the capital expenditure.

(b) **Required Showing Made to the Federal Energy Regulatory Commission:** In order to receive just and reasonable compensation for a capital expenditure under this Section, a resource must file an explanation of need with the Commission that explains why the capital expenditure is necessary in order to meet the reliability need identified by the ISO. This showing must demonstrate that the expenditure is reasonably determined to be the least-cost commercially reasonable option consistent with Good Utility Practice to meet the reliability need identified by the ISO. If the resource elects cost-of-service treatment pursuant to Section III.13.2.5.2.5.1(b), the Incremental Cost of Reliability Service filing described in this Section must be made separately from and may be made in advance of the resource's cost-of-service filing.

(c) **Allocation:** Costs of capital expenditures approved by the Commission under this provision shall be allocated to Regional Network Load within the affected Reliability Region.

III.13.2.5.2.5.3. Retirement and Permanent De-Listing of Resources.

(a)(i) A resource, or portion thereof, will be retired coincident with the commencement of the relevant Capacity Commitment Period, or earlier as described in Section III.13.2.5.2.5.3(a)(ii), if the resource: (1) has an Internal Market Monitor-accepted Retirement De-List Bid at or above the Forward Capacity Auction Starting Price, even considering a full downward adjustment pursuant to Section III.13.1.2.3.1.5(d), and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; (2) submitted a Permanent De-List Bid or Retirement De-List Bid, elected to retire pursuant to Section III.13.1.2.4.1(a), and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; (3) elected conditional treatment

pursuant to Section III.13.1.2.4.1(b) for a Retirement De-List Bid with a submitted price at or above the Capacity Clearing Price and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; or (4) had a Commission-approved Retirement De-List Bid clear in the Forward Capacity Auction. In the case of a Retirement De-List Bid rejected for reliability, if the reliability need that resulted in the rejection for reliability is met, the resource, or portion thereof, will be retired coincident with the end of Capacity Supply Obligation (or earlier as described in Section III.13.2.5.2.5.3(a)(ii)) unless the Commission directs that the obligation to retire be removed or the retirement date extended as part of an Incremental Cost of Reliability Service filing made pursuant to Section III.13.2.5.2.5.2. The interconnection rights, or relevant portion thereof, for the resource will terminate and the status of the resource, or portion thereof, will be converted to retired on the date of retirement, consistent with the provisions of Schedules 22 and 23 of the OATT.

(a)(ii) A resource, or portion thereof, that is to be retired pursuant to Section III.13.2.5.2.5.3(a)(i) may retire the resource, or portion thereof, earlier than the Capacity Commitment Period for which its Retirement De-List Bid was submitted if it is able to transfer the relevant Capacity Supply Obligation of the resource to another resource through one or more approved Capacity Supply Obligation Bilateral transactions as described in Section III.13.5.1 or reconfiguration auctions as described in Section III.13.4.1. A resource, or portion thereof, electing to retire pursuant to this provision must notify the ISO in writing of its election to retire and the date of retirement. The interconnection rights, or relevant portion thereof, for the resource will terminate and the status of the resource, or portion thereof, will be converted to retired on the date of retirement, consistent with the provisions of Schedules 22 and 23 of the OATT.

(b)(i) A resource, or portion thereof, will be permanently de-listed from the Forward Capacity Market as of the relevant Capacity Commitment Period, or earlier as described in Section III.13.2.5.2.5.3(b)(ii), if the resource: (1) has an Internal Market Monitor-accepted Permanent De-List Bid at or above the Forward Capacity Auction Starting Price, even considering a full downward adjustment pursuant to Section III.13.1.2.3.1.5(d), and the resource was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; (2) elected conditional treatment pursuant to Section III.13.1.2.4.1(b) for a Permanent De-List Bid with a submitted price at or above the Capacity Clearing Price and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; or (3) had a Commission-approved Permanent De-List Bid clear in the Forward Capacity Auction. The CNR Capability interconnection rights, or relevant portion thereof, for the resource will be adjusted downward to reflect the Permanent De-List Bid, consistent with the provisions of Schedules 22 and 23 of the OATT. A resource that permanently de-lists pursuant to this Section

III.13.2.5.2.5.3(b)(i) is precluded from subsequent participation in the Forward Capacity Market unless it qualifies as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2.

(b)(ii) A resource, or portion thereof, that is to be permanently de-listed pursuant to Section III.13.2.5.2.5.3(b)(i) may be permanently de-listed earlier than the Capacity Commitment Period for which its Permanent De-List Bid was submitted if it is able to transfer the entire Capacity Supply Obligation of the resource to another resource through one or more approved Capacity Supply Obligation Bilateral transactions as described in Section III.13.5.1 or reconfiguration auctions as described in Section III.13.4.

(c) A resource that has never been counted as a capacity resource may retire the asset by notifying the ISO in writing of its election to retire and the date of retirement. The date specified for retirement is subject to the limit for resource inactivity set out in Section III.13.2.5.2.5.3(d). The interconnection rights for the resource will terminate and the status of the resource will be converted to retired on the date of retirement.

(d) A resource that does not operate commercially for a period of three calendar years will be deemed by the ISO to be retired. The interconnection rights for the unit will terminate and the status of the unit will be converted to retired on the date of retirement. Where a generator has submitted an application to repower under Schedule 22 or 23 of the OATT, the current interconnection space will be maintained beyond the three years unless the application under Schedule 22 or 23 is withdrawn voluntarily or by the operation of those provisions. Where an application is withdrawn under Schedule 22 or 23, the three year period will be calculated from the last day of commercial operation of the resource.

III.13.2.6. Capacity Rationing Rule.

Except for Dynamic De-List Bids, Export Bids, and offers from New Import Capacity Resources that are subject to rationing pursuant to Section III.13.1.3.5.8 and Existing Import Capacity Resources that are subject to rationing pursuant to Section III.13.1.3.3.A, offers and bids in the Forward Capacity Auction must clear or not clear in whole, unless the offer or bid specifically indicates that it may be rationed. A resource may elect to be rationed to its Rationing Minimum Limit pursuant to Sections III.13.1.1.2.2.3 and III.13.1.2.1.2. Offers from New Import Capacity Resources and Existing Import Capacity Resources will not be rationed where such rationing would violate any applicable physical minimum flow requirements on the associated interface. Export Bids may elect to be rationed generally, but regardless of such election will always be subject to potential rationing where the associated external interface binds. If

more Dynamic De-List Bids are submitted at a price than are needed to clear the market, the bids shall be cleared pro-rata, subject to honoring the Rationing Minimum Limit of the resources. Where an offer or bid may be rationed, such rationing may not result in procuring an amount of capacity that is below the associated resource's Rationing Minimum Limit.

III.13.2.7. Determination of Capacity Clearing Prices.

The Capacity Clearing Price in each Capacity Zone shall be the price established by the descending clock auction as described in Section III.13.2.3, subject to the other provisions of this Section III.13.2.7. The Capacity Clearing Price for the Rest-of-Pool Capacity Zone and the Capacity Clearing Price for each import-constrained Capacity Zone shall not exceed the Forward Capacity Auction Starting Price. The Capacity Clearing Price for an export-constrained Capacity Zone shall not be less than zero.

III.13.2.7.1. Import-Constrained Capacity Zone Capacity Clearing Price Floor.

The Capacity Clearing Price in an import-constrained Capacity Zone shall not be lower than the Capacity Clearing Price in the Rest-of-Pool Capacity Zone. If after the Forward Capacity Auction is conducted, the Capacity Clearing Price in an import-constrained Capacity Zone is less than the Capacity Clearing Price in the Rest-of-Pool Capacity Zone, all resources clearing in the import-constrained Capacity Zone shall be paid based on the Capacity Clearing Price in the Rest-of-Pool Capacity Zone during the associated Capacity Commitment Period.

III.13.2.7.2. Export-Constrained Capacity Zone Capacity Clearing Price Ceiling.

The Capacity Clearing Price in an export-constrained Capacity Zone shall not be higher than the Capacity Clearing Price in the Rest-of-Pool Capacity Zone.

The Capacity Clearing Price in a nested Capacity Zone shall not be higher than the Capacity Clearing Price in the Capacity Zone within which it is located.

III.13.2.7.3. [Reserved.]

III.13.2.7.3A. Treatment of Imports.

At the Capacity Clearing Price, if the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over an interface between an external Control Area and the New England Control Area is greater than that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF):

(a) the full amount of capacity offered at that price from Existing Import Capacity Resources associated with contracts listed in Section III.13.1.3.3.A(c) shall clear, unless that amount of capacity is greater than the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), in which case the capacity offered at that price from Existing Import Capacity Resources associated with contracts listed in Section III.13.1.3.3.A(c) shall be rationed such that the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF) is not exceeded; and

(b) if there is space remaining over the interface after the allocation described in subsection (a) above, then the capacity offered at that price from New Import Capacity Resources and Existing Import Capacity Resources other than Existing Import Capacity Resources associated with the contracts listed in Section III.13.1.3.3.A(c) will be rationed such that the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF) is not exceeded. If the capacity offered at that price by any single New Import Capacity Resource or Existing Import Capacity Resource that is not associated with the contracts listed in Section III.13.1.3.3.A(c) is greater than the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the capacity offered by that resource that is above the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF) shall not be included in the rationing.

III.13.2.7.4. Effect of Capacity Rationing Rule on Capacity Clearing Price.

Where the requirement that offers and bids clear or not clear in whole (Section III.13.2.6) prohibits the descending clock auction in its normal progression from clearing one or more Capacity Zones at the precise amount of capacity determined by the Capacity Zone Demand Curves specified in Section III.13.2.2, then the auctioneer shall analyze the aggregate supply curve to determine cleared capacity offers and Capacity Clearing Prices that seek to maximize social surplus for the associated Capacity Commitment Period. The clearing algorithm may result in offers below the Capacity Clearing Price not clearing, and in de-list bids below the Capacity Clearing Price clearing.

III.13.2.7.5. Effect of Decremental Repowerings on the Capacity Clearing Price.

Where the effect of accounting for certain repowering offers and bids (as described in Section III.13.2.3.2(e)) results in the auction not clearing at the lowest price for the required quantity of capacity, then the auctioneer will conduct additional auction rounds of the Forward Capacity Auction as necessary to minimize capacity costs.

III.13.2.7.6. Minimum Capacity Award.

Each offer ~~(excluding offers from Conditional Qualified New Resources that do not satisfy the conditions specified in Sections III.13.2.5.1(i)–(iii))~~ clearing in the Forward Capacity Auction shall be awarded a Capacity Supply Obligation at least as great as the amount of capacity offered at the End-of-Round Price in the final round of the Forward Capacity Auction. For Intermittent Power Resources, the Capacity Supply Obligation for months in the winter period (as described in Section III.13.1.5) shall be adjusted based on its winter Qualified Capacity as determined pursuant to Section III.13.1.1.2.2.6 and Section III.13.1.2.2.2.

III.13.2.7.7. Tie-Breaking Rules.

Where the provisions in this Section III.13.2 for clearing the Forward Capacity Auction (system-wide or in a single Capacity Zone) result in a tie – that is, where two or more resources offer sufficient capacity at prices that would clear the auction at the same minimum costs – the auctioneer shall apply the following rules (in sequence, as necessary) to determine clearing:

- (a) [Reserved.]
- (b) If multiple projects may be rationed, they will be rationed proportionately.
- (c) ~~[Reserved.] Where clearing either the offer associated with a resource with a higher queue priority at a Conditional Qualified New Resource’s location or the offer associated with the Conditional Qualified New Resource would result in equal costs, the offer associated with the resource with the higher queue priority shall clear.~~
- (d) The offer associated with the Project Sponsor having the lower market share in the capacity auction (including Existing Capacity Resources) shall be cleared.

III.13.2.8. Capacity Substitution Auctions.

The final substitution auction shall take place for the Forward Capacity Auction associated with the June 1, 2027 to May 31, 2028 Capacity Commitment Period, and no substitution auctions shall be conducted thereafter. Notwithstanding the foregoing, the provisions of Section III.12 of Market Rule 1 and Attachment K to the OATT addressing the manner in which Capacity Supply Obligations acquired or shed through the substitution auction are accounted for in the calculation of the Installed Capacity Requirement and related values and in carrying out the regional system planning process shall continue to have full force and effect.

III.13.2.8.1. Administration of Substitution Auctions.

Following the completion of the primary auction-clearing process of the Forward Capacity Auction as provided for in Section III.13.2, the ISO shall conduct a substitution auction, using a static double auction to clear supply offers (offers to assume a Capacity Supply Obligation) and demand bids (bids to shed a Capacity Supply Obligation). Supply offers and demand bids will be modeled in the Capacity Zone where the associated resources are electrically interconnected.

III.13.2.8.1.1. Substitution Auction Clearing and Awards.

The substitution auction shall maximize total social surplus as specified by the demand bids and supply offers used in the auction. The maximization is constrained as follows:

- (i) By the external interface limits modeled in the primary auction-clearing process.
- (ii) Such that the net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is equal to zero.
- (iii) Such that, for each import-constrained Capacity Zone, if the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction is less than the zone threshold quantity specified below, then the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is equal to zero; otherwise, the sum of the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is greater than or equal to the zone threshold quantity specified below.
- (iv) Such that, for each export-constrained Capacity Zone, if the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction is greater than the zone threshold quantity specified below, then the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is equal to zero; otherwise, the sum of the zone's total Capacity Supply Obligations awarded

in the primary auction-clearing process and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is less than or equal to the zone threshold quantity specified below.

In applying constraint (iii), the zone threshold quantity for an import-constrained Capacity Zone shall be equal to the sum of its Capacity Zone Demand Curve truncation point quantity specified in Section III.13.2.2.2 and the total quantity of any Export Bids and any Administrative Export De-List Bids for which the exporting resource is located outside the import-constrained Capacity Zone, that are used to export capacity across an external interface connected to the import-constrained Capacity Zone, and that cleared in the primary auction-clearing process of the Forward Capacity Auction.

In applying constraint (iv), the zone threshold quantity for an export-constrained Capacity Zone shall be equal to its Capacity Zone Demand Curve truncation point quantity specified in Section III.13.2.2.3 less the total quantity of any Export Bids and any Administrative Export De-List Bids for which the exporting resource is located in the export-constrained Capacity Zone, including any Export Bids and any Administrative Export De-List Bids in an associated nested export-constrained Capacity Zone, that are used to export capacity across an external interface connected to another Capacity Zone, and that cleared in the primary auction-clearing process of the Forward Capacity Auction.

In applying constraints (iii) and (iv), a zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction and net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction shall include the Capacity Supply Obligations of Import Capacity Resources at each external interface connected to the Capacity Zone.

In applying constraints (iii) and (iv), a zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction shall include the Capacity Supply Obligations awarded to Proxy De-List Bids within the zone, and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction shall include the Capacity Supply Obligations shed from demand bids associated with Proxy De-List Bids within the zone.

In cases in which there are multiple clearing outcomes that would each maximize the substitution auction's objective, the following tie-breaking rules will apply in the following sequence: (i) non-rationable demand bids associated with Lead Market Participants having the largest total FCA Qualified

Capacity of Existing Capacity Resources will be cleared first; and (ii) rationable supply offers will be cleared in proportion to their offer quantity.

For Intermittent Power Resources, other than those participating as the summer resource in a Composite FCM Transaction, the cleared award for supply offers and demand bids shall be adjusted for the months in the winter period (as described in Section III.13.1.5) using the ratio of the resource's cleared offer or bid amount divided by its FCA Qualified Capacity multiplied by its winter Qualified Capacity as determined pursuant to Section III.13.1.1.2.2.6 and Section III.13.1.2.2.2 after removing any portion of the resource's winter Qualified Capacity that is participating in a Composite FCM Transaction.

The cleared offer amount awarded to a Composite FCM Transaction in the substitution auction will be assigned to the summer and winter resources for their respective obligation months during the Capacity Commitment Period as described in Section III.13.1.5.

If, after the substitution auction, a resource has a Capacity Supply Obligation below its Economic Minimum Limit, it must meet the requirements of Section III.13.6.1.1.1.

III.13.2.8.1.2. Substitution Auction Pricing.

The substitution auction will specify clearing prices for Capacity Zones and external interfaces as follows.

For each import-constrained Capacity Zone, if the sum of the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is greater than its zone threshold quantity specified in Section III.13.2.8.1.1, then supply offers and demand bids in the substitution auction in the import-constrained Capacity Zone shall be treated as offers and bids in the Rest-of-Pool Capacity Zone for purposes of determining substitution auction clearing prices.

For each export-constrained Capacity Zone,

- (i) if the sum of the zone's total Capacity Supply Obligations, including Capacity Supply Obligations in a nested Capacity Zone, awarded in the primary auction-clearing process of the Forward Capacity Auction and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction including net cleared Capacity Supply Obligations in the nested Capacity Zone is less than its zone threshold quantity specified in Section III.13.2.8.1.1, then supply offers and demand bids in the substitution

auction in the export-constrained Capacity Zone (excluding supply offers and demand bids in the nested Capacity Zone that are not treated as offers and bids in the export-constrained Capacity Zone pursuant to Section III.13.2.8.1.2(ii)) shall be treated as offers and bids in the Rest-of-Pool Capacity Zone for purposes of determining substitution auction clearing prices.

- (ii) if the sum of a nested Capacity Zone's Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction and the nested Capacity Zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is less than its zone threshold quantity specified in Section III.13.2.8.1.1, then supply offers and demand bids in the substitution auction in the nested Capacity Zone shall be treated as offers and bids in the export-constrained Capacity Zone within which the nested Capacity Zone is located, for purposes of determining substitution auction clearing prices.

The substitution auction clearing prices for the Rest-of-Pool Capacity Zone and for any constrained zones pooled with the Rest-of-Pool Capacity Zone for pricing purposes shall be determined by the price of the demand bid or supply offer that is marginal. If a demand bid associated with a Proxy De-List Bid is marginal, then the substitution auction clearing prices shall be set equal to the Capacity Clearing Prices.

The substitution auction clearing price for a constrained Capacity Zone that is not pooled with the Rest-of-Pool Capacity Zone for pricing purposes shall be determined by the price of the demand bid or supply offer associated with the separately-priced constrained Capacity Zone that is marginal. If a demand bid associated with a Proxy De-List Bid is marginal, then the substitution auction clearing price shall be set equal to the Capacity Clearing Price for the constrained Capacity Zone.

The substitution auction clearing price for a nested export-constrained Capacity Zone that is not pooled with the export-constrained Capacity Zone in which it is located for pricing purposes shall be determined by the price of the demand bid or supply offer that is marginal in the nested export-constrained Capacity Zone. If a demand bid associated with a Proxy De-List Bid is marginal, then the substitution auction clearing price for the nested export-constrained Capacity Zone shall be equal to the Capacity Clearing Price for that nested export-constrained Capacity Zone.

If the net quantity of Capacity Supply Obligations awarded in the primary Forward Capacity Auction and substitution auction over an interface between the New England Control Area and an external Control

Area is less than that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then supply offers and demand bids in the substitution auction at the interface shall be treated as offers and bids in the modeled Capacity Zone associated with that interface for purposes of determining substitution auction clearing prices.

If the net quantity of Capacity Supply Obligations awarded in the primary Forward Capacity Auction and substitution auction over an interface between the New England Control Area and an external Control Area is equal to that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the substitution auction clearing price for that interface will be determined by the demand bid or supply offer that is marginal at that interface. If a cleared demand bid associated with a Proxy De-List Bid is marginal at the external interface, then the substitution auction clearing price for that interface shall be set equal to the Capacity Clearing Price for that interface.

The substitution auction clearing price for an import-constrained Capacity Zone where the total Capacity Supply Obligations awarded in the primary action-clearing process of the Forward Capacity Auction are greater than or equal to the zone's threshold quantity specified in Section III.13.2.8.1.1 shall not be lower than the substitution auction clearing price for the Rest-of-Pool Capacity Zone.

The substitution auction clearing price for an export-constrained Capacity Zone that is not a nested export-constrained Capacity Zone, where the total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction are less than or equal to the zone's threshold quantity specified in Section III.13.2.8.1.1 shall not exceed the substitution auction clearing price for the Rest-of-Pool Capacity Zone.

The substitution auction clearing price for a nested export-constrained Capacity Zone where the total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction are less than or equal to the zone's threshold quantity specified in Section III.13.2.8.1.1 shall not exceed the substitution auction clearing price for the Capacity Zone within which it is located.

The substitution auction clearing price at an external interface shall not exceed the substitution auction clearing price in the Capacity Zone connected to the external interface.

If, pursuant to the rules specified above, the substitution auction clearing price for any Capacity Zone or external interface would exceed the Capacity Clearing Price for that location, the substitution auction clearing price for that location only is set equal to its Capacity Clearing Price.

The substitution auction clearing price for any Capacity Zone or external interface cannot be less than negative one multiplied by the Forward Capacity Auction Starting Price.

III.13.2.8.2. Supply Offers in the Substitution Auction.

III.13.2.8.2.1. Supply Offers.

To participate as supply in the substitution auction, a Project Sponsor for a New Capacity Resource must meet the following criteria:

- (a) The Project Sponsor and the New Capacity Resource must meet all the requirements for participation in the Forward Capacity Auction specified in Section III.13.1.
- (b) The Project Sponsor must elect to have the resource participate in the substitution auction during the New Capacity Show of Interest Window. Pursuant to an election, the resource's total amount of FCA Qualified Capacity that qualifies as a New Capacity Resource will be obligated to participate in the substitution auction, including any capacity of a Renewable Technology Resource that was not qualified due to proration pursuant to Section III.13.1.1.2.10(a), and subject to the other provisions of this Section III.13.2.8.2.
- (c) The Project Sponsor must certify that the New Capacity Resource is a Sponsored Policy Resource as part of the submission of the New Capacity Qualification Package.

Substitution auction supply offers are rationable.

A resource participating in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2 (resources previously counted as capacity resources) is not eligible to participate as supply in the substitution auction. A resource is not eligible to participate as supply in the substitution auction if it has submitted a demand bid for the substitution auction.

A Composite FCM Transaction comprised of a summer resource that is a Sponsored Policy Resource is eligible to participate as supply in the substitution auction.

~~A Conditional Qualified New Resource may participate in the substitution auction provided that the resource with which it has overlapping interconnection impacts: (i) did not receive a Capacity Supply Obligation, fully or partially, in the primary auction-clearing process, and: (ii) is not eligible to participate in the substitution auction. A resource having a higher priority in the queue than a Conditional Qualified New Resource with which it has overlapping interconnection impact may participate in the substitution auction provided that the Conditional Qualified New Resource did not receive a Capacity Supply Obligation, fully or partially, in the primary auction-clearing process.~~

III.13.2.8.2.2. Supply Offer Prices.

Project Sponsors must submit substitution auction supply offer prices no later than five Business Days after the deadline for submission of offers composed of separate resources.

A substitution auction supply offer must be in the form of a curve (with up to five price-quantity pairs). The curve may not decrease in quantity as the price increases. A supply offer price for the substitution auction may not be greater than the Forward Capacity Auction Starting Price or lower than negative one multiplied by the Forward Capacity Auction Starting Price.

If the offer quantity does not equal the resource's FCA Qualified Capacity, the quantity for which no offer price was submitted will be assigned a price equal to the Forward Capacity Auction Starting Price.

III.13.2.8.2.3. Supply Offers Entered into the Substitution Auction

Supply offers for resources that satisfy all of the criteria in Section III.13.2.8.2.1 to participate in the substitution auction may be adjusted prior to conducting the substitution auction-clearing process using the following adjustments:

- (a) Any portion of a resource's FCA Qualified Capacity that was cleared (received a Capacity Supply Obligation) in the primary auction-clearing process will be removed from the resource's substitution auction supply offer beginning with the lowest priced price-quantity pairs.

(b) After performing the adjustment specified in Section III.13.2.8.2.3(a), any price-quantity pairs in a resource's substitution auction supply offer with a price greater than the Capacity Clearing Price for the resource's Capacity Zone or external interface are removed from the offer.

III.13.2.8.3. Demand Bids in the Substitution Auction.

III.13.2.8.3.1. Demand Bids.

Market Participants with Existing Generating Capacity Resources or Existing Import Capacity Resources associated with External Elective Transmission Upgrades may elect to submit demand bids for the substitution auction for those resources by the Existing Capacity Retirement Deadline. The election must specify the total amount of the resource's Qualified Capacity that will be associated with its demand bid.

A resource, including any portion of an existing resource that qualifies as a New Capacity Resource, must have achieved FCM Commercial Operation no later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.2.4(b) in order to participate as demand in the substitution auction.

Regardless of whether an election is made, a demand bid is required for any portion of a resource that is associated with a Retirement De-List Bid, provided that the entire resource has achieved FCM Commercial Operation no later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.2.4(b).

A resource for which a demand bid election has been made cannot participate in a Composite FCM Transaction, cannot be designated as a Self-Supplied FCA Resource, and will not have incremental summer or winter capacity that does not span the entire Capacity Commitment Period subjected to the treatment specified in Section III.13.1.1.1.3.A.

Demand bids are non-rationable.

A demand bid will be entered into the substitution auction for the portion of the resource that receives a Capacity Supply Obligation in the primary auction-clearing process, subject to the other provisions of this Section III.13.2.8.3. A resource, or portion thereof, associated with a cleared demand bid shall be retired from all New England Markets at the start of the Capacity Commitment Period associated with the Forward Capacity Auction.

III.13.2.8.3.2. Demand Bid Prices.

Market Participants must submit substitution auction demand bid prices no later than five Business Days after the deadline for submission of offers composed of separate resources.

A substitution auction demand bid must be in the form of a curve (with up to five price-quantity pairs). The curve may not decrease in quantity as the price decreases. A demand bid price for the substitution auction may not be greater than the Forward Capacity Auction Starting Price or lower than negative one multiplied by the Forward Capacity Auction Starting Price.

If the bid quantity does not equal the total bid amount submitted by the Market Participant or required for a Retirement De-List Bid pursuant to Section III.13.2.8.3.1, the quantity for which no bid price was specified will be assigned a price equal to negative one multiplied by the Forward Capacity Auction Starting Price.

For auctions associated with a Capacity Commitment Period that begins on or after June 1, 2023, Market Participants may elect either of the demand bid adjustment methods specified in Section III.13.2.8.3.3(b) for the resource by no later than five Business Days after the deadline for submission of offers composed of separate resources. If no such election is made, the adjustment applied shall be the method specified in Section III.13.2.8.3.3(b)(i).

III.13.2.8.3.3. Demand Bids Entered into the Substitution Auction.

If a resource is determined to be needed for reliability pursuant to Section III.13.2.5.2.5, then any demand bid associated with the resource will not be further included in the substitution auction.

Demand bids for resources that satisfy all of the criteria in Section III.13.2.8.3.1 to participate in the substitution auction will be adjusted prior to conducting the substitution auction-clearing process using the following adjustments:

- (a) For the substitution auction associated with the Capacity Commitment Period beginning on June 1, 2022, any portion of a resource's demand bid that exceeds its Capacity Supply Obligation awarded in the primary auction-clearing process will be removed from the substitution auction demand bid beginning with the highest priced price-quantity pairs.

(b) For substitution auctions associated with a Capacity Commitment Period that begins on or after June 1, 2023, a resource's demand bid will be adjusted using one of the following methods as elected pursuant to Section III.13.2.8.3.2:

(i) The portion of a resource's capacity that did not receive a Capacity Supply Obligation in the primary auction-clearing process will be removed from the substitution auction demand bid beginning with the highest priced price-quantity pair.

(ii) Any portion of a resource's demand bid that exceeds its Capacity Supply Obligation awarded in the primary auction-clearing process will be removed from the substitution auction demand bid beginning with the lowest priced price-quantity pair.

(c) After performing the modification specified in Sections III.13.2.8.3.3(a) or III.13.2.8.3.3(b), any price-quantity pairs in a resource's substitution auction demand bid with a price greater than the Capacity Clearing Price for the resource's Capacity Zone or external interface will have its price reduced to the Capacity Clearing Price for the resource's Capacity Zone or external interface.

Except as provided in Section III.13.2.5.2.1(c), a rationable demand bid will be entered into the substitution auction on behalf of any Proxy De-List Bid associated with a Permanent De-List Bid or Retirement De-List Bid. The demand bid quantity will equal the portion of the Proxy De-List Bid that was not cleared (received a Capacity Supply Obligation) in the first run of the primary auction-clearing process. The demand bid will have priority to clear before non-rationable demand bids.

III.13.3. Critical Path Schedule Monitoring.

III.13.3.1. Resources Subject to Critical Path Schedule Monitoring.

III.13.3.1.1. New Resources Electing Critical Path Schedule Monitoring.

A Project Sponsor that submits a critical path schedule for a New Capacity Resource in the qualification process may request that the ISO monitor that resource's compliance with its critical path schedule in accordance with the provisions of this Section III.13.3. The ISO will monitor the New Capacity Resource's compliance from the time the ISO approves the request until the resource achieves FCM Commercial Operation, loses its Capacity Supply Obligation pursuant to Section III.13.3.4A, or withdraws from critical path schedule monitoring pursuant to Section III.13.3.6.

In addition, a Lead Market Participant with a New Import Capacity Resource backed by one or more existing External Resources seeking to qualify for Capacity Commitment Period(s) prior to the Capacity Commitment Period associated with the Forward Capacity Auction for which it is qualifying must request monitoring under this Section III.13.3.1.1.

A request under this Section III.13.3.1.1 must be made in writing no later than five Business Days after the deadline for submission of the FCM Deposit pursuant to Section III.13.1.9.1.

III.13.3.1.2. New Resources Clearing in the Forward Capacity Auction.

For each new resource required to submit a critical path schedule in the qualification process, including but not limited to a New Generating Capacity Resource (pursuant to Section III.13.1.1.2.2), a New Import Capacity Resource backed by a new External Resource (pursuant to Section III.13.1.3.5), a New Demand Capacity Resource (pursuant to Section III.13.1.4), or New Distributed Energy Capacity Resource (pursuant to Section III.13.1.4A), if capacity from that resource clears in the Forward Capacity Auction, then the ISO shall monitor that resource's compliance with its critical path schedule in accordance with the provisions of this Section III.13.3 (regardless of whether the Project Sponsor requested monitoring pursuant to Section III.13.3.1.1) from the time that the Forward Capacity Auction is conducted until the resource achieves FCM Commercial Operation, loses its Capacity Supply Obligation pursuant to Section III.13.3.4A, or withdraws from critical path schedule monitoring pursuant to Section III.13.3.6.

III.13.3.1.3. New Resources Not Offering or Not Clearing in the Forward Capacity Auction.

If no capacity from a new resource that was required to submit a critical path schedule in the qualification process clears in the Forward Capacity Auction, or if such a resource does not submit an offer in the Forward Capacity Auction, then the ISO shall not monitor that resource's compliance with its critical path schedule after the Forward Capacity Auction unless the Project Sponsor previously requested pursuant to Section III.13.3.1.1 that the ISO continue to monitor that resource's compliance with its critical path schedule. ~~However, if a New Generating Capacity Resource participated but did not clear in the Forward Capacity Auction either as: (i) a Conditional Qualified New Resource, or (ii) a New Generating Capacity Resource with a higher priority in the queue and overlapping interconnection impacts with a Conditional Qualified New Resource, the ISO will not continue to monitor that resource's compliance with its critical path schedule even if that resource requested critical path schedule monitoring pursuant to Section III.13.3.1.1.~~

III.13.3.2. Quarterly Critical Path Schedule Reports.

For each new resource that is being monitored for compliance with its critical path schedule, the Project Sponsor for that resource must provide a written critical path schedule report to the ISO no later than five Business Days after the end of each calendar quarter. If the Project Sponsor does not provide a written critical path schedule report to the ISO by the fifth Business Day after the end of the calendar quarter, then the ISO shall issue a notice thereof to the Project Sponsor. If the Project Sponsor fails to provide the critical path schedule report within five Business Days of issuance of that notice, then the resource will be subject to termination pursuant to Section III.13.3.4A. Each critical path schedule report shall include the following:

III.13.3.2.1. Updated Critical Path Schedule.

The critical path schedule report must include a complete updated version of the critical path schedule as described in Section III.13.1.1.2.2.2, dated contemporaneously with the submission of the critical path schedule report. The updated critical path schedule should clearly indicate if the Project Sponsor is proposing to change any of the milestones or dates from the previously submitted version of the critical path schedule, and must include an explanation of any such proposed changes. In the critical path schedule report, the Project Sponsor should also explain in detail any proposed changes to the project design and the potential impact of such changes on the amount of capacity the resource will be able to provide.

III.13.3.2.2. Documentation of Milestones Achieved.

(a) For all new resources except for Demand Capacity Resources installed at multiple facilities and Demand Capacity Resources from a single facility with a demand reduction value of less than 5 MW (discussed in Section III.13.3.2.2(b)) and Distributed Energy Capacity Resources with all Retail Delivery Points and facilities at the point of interconnection having in the aggregate a demand reduction value and net injection capability of less than 5 MW (discussed in Section III.13.3.2.2(c)), for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Project Sponsor must include in the critical path schedule report documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

(i) **Major Permits.** For each major permit described in the critical path schedule, the Project Sponsor shall provide documentation showing that the permit was applied for and obtained as described in the critical path schedule. For permit applications, this documentation could include a dated copy of the permit application or cover letter requesting the permit. For approved permits, this documentation could include a dated copy of the approved permit or letter granting the permit from the permitting authority.

(ii) **Project Financing Closing.** The Project Sponsor shall provide documentation showing that the sources of financing identified in the critical path schedule have committed to provide the amount of financing described in the critical path schedule. This documentation could include copies of commitment letters from the sources of financing.

(iii) **Major Equipment Orders.** For each major component described in the critical path schedule, the Project Sponsor shall provide documentation showing that the equipment was ordered as described in the critical path schedule. This documentation should include a copy of a dated confirmation of the order from the manufacturer or supplier. This documentation should confirm scheduled delivery dates consistent with milestone Section III.13.3.2.2(a)(vi).

(iv) **Substantial Site Construction.** The Project Sponsor shall provide documentation showing that the amount of money expended on construction activities occurring on the project site has exceeded 20 percent of the construction financing costs.

(v) **Major Equipment Delivery.** For each major component described in the critical path schedule, the Project Sponsor shall provide documentation showing that the equipment was

delivered to the project site and received as preliminarily acceptable as described in the critical path schedule. This documentation should include a copy of a dated confirmation of delivery to the project site.

(vi) **Major Equipment Testing.** For each major component described in the critical path schedule, the Project Sponsor shall provide documentation showing that the component was tested, including major systems testing as appropriate for the specific technology as described in the critical path schedule, and that the test results demonstrate the equipment's suitability to allow, in conjunction with other major components, subsequent operation of the project in accordance with the amount of capacity obligated from the resource in the Capacity Commitment Period in accordance with Good Utility Practice. This documentation could include a dated copy of the satisfactory test results.

(vii) **Commissioning.** The Project Sponsor shall provide documentation showing that the resource has demonstrated a level of performance equal to or greater than the amount of capacity obligated from the resource in the Capacity Commitment Period. This documentation should include a copy of a dated letter of confirmation from the applicable manufacturer, contractor, or installer.

(viii) **Commercial Operation.** The Project Sponsor is not required to provide documentation of Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) to the ISO as part of the ISO's critical path schedule monitoring. The ISO shall confirm that the resource has achieved Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) as described in the critical path schedule through the resource's compliance with the other relevant requirements of the Transmission, Markets and Services Tariff and the ISO New England System Rules.

(ix) **Transmission Upgrades.** The Project Sponsor shall provide documentation showing that all interconnection facilities and upgrades identified for the project associated with the resource in a Transitional Cluster Study, Cluster Study, or Cluster Restudy. If during the qualification process it was determined that transmission upgrades (including any upgrades identified in a re-study) (conducted pursuant to Section 37.5-2.1.3 of Schedule 22, Section 7.51-7.1.3 of Schedule 23, or Section 7.53-2.1.3 of Schedule 25 of Section II of the Transmission,

Markets and Services Tariff), or interconnection request or agreement under applicable state tariff, rules or procedures, ~~are needed for the new resource to complete its interconnection, then the Project Sponsor shall provide documentation showing that the transmission upgrades~~ have been completed.

(b) For Demand Capacity Resources installed at multiple facilities and Demand Capacity Resources from a single facility with a demand reduction value of less than 5 MW, for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Project Sponsor must include in the critical path schedule report documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

(i) **Substantial Project Completion.** The Project Sponsor shall provide documentation showing the total offered demand reduction value achieved as of target dates which are: (a) the cumulative percentage of total demand reduction value achieved on target date 1 occurring five weeks prior to the first Forward Capacity Auction after the Forward Capacity Auction in which the Demand Capacity Resource supplier's capacity award was made; (b) the cumulative percentage of total demand reduction value achieved on target date 2 occurring five weeks prior to the second Forward Capacity Auction after the Forward Capacity Auction in which the Demand Capacity Resource supplier's capacity award was made; and (c) target date 3 which is the date the resource is expected to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the Project Sponsor's New Demand Capacity Resource Qualification Package has achieved its full demand reduction value, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100 percent of the total demand reduction value must be complete.

(ii) **Additional Requirements.** For each customer and each prospective customer the Project Sponsor shall provide: name, location, MW amount, and description of stage of negotiation. If the customer's Asset has been registered with the ISO, then the Project Sponsor shall also provide the Asset identification number.

(c) For Distributed Energy Capacity Resources with all Retail Delivery Points and facilities at the point of interconnection having in the aggregate a demand reduction value and net injection capability of less than 5 MW, for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Project Sponsor must include in the critical path schedule report

documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

- (i) **Substantial Project Completion.** The Project Sponsor shall provide documentation showing the total offered demand reduction value and net injection capability achieved as of target dates which are: (a) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 1 occurring five weeks prior to the first Forward Capacity Auction after the Forward Capacity Auction in which the Distributed Energy Capacity Resource supplier's capacity award was made; (b) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 2 occurring five weeks prior to the second Forward Capacity Auction after the Forward Capacity Auction in which the Distributed Energy Capacity Resource supplier's capacity award was made; and (c) target date 3 which is the date the resource is expected to be ready to demonstrate to the ISO that the Distributed Energy Capacity Resource described in the Project Sponsor's New Distributed Energy Capacity Resource Qualification Package has achieved its full demand reduction value and net injection capability, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100 percent of the total demand reduction value and net injection capability must be complete.

- (ii) **Additional Requirements.** For each customer and each prospective customer the Project Sponsor shall provide: name, location, MW amount, and description of stage of negotiation. If the customer's Distributed Energy Resource Aggregation has been registered with the ISO, then the Project Sponsor shall also provide the Distributed Energy Resource Aggregation identification number.

III.13.3.2.3. Additional Relevant Information.

The Project Sponsor must include in the critical path schedule report any other information regarding the status or progress of the project or any of the project milestones that might be relevant to the ISO's evaluation of the feasibility of the project being built in accordance with the critical path schedule or the feasibility that the project will achieve all its critical path schedule milestones no later than the start of the relevant Capacity Commitment Period.

III.13.3.2.4. Additional Information for Resources Previously Counted As Capacity.

For each resource participating in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Sections III.13.1.1.1.2, III.13.1.1.1.3, or III.13.1.1.1.4, a New Demand Capacity Resource

pursuant to Section III.13.1.4.1, or a New Distributed Energy Capacity Resource pursuant to Section III.13.1.4A and clearing in that auction, the Project Sponsor must provide information in the critical path schedule report demonstrating: (a) the shedding of the resource's Capacity Supply Obligation in accordance with the provisions of Section III.13.1.1.2.2.5(c); and (b) that the relevant cost threshold (described in Sections III.13.1.1.1.2, III.13.1.1.1.3, and III.13.1.1.1.4) is being met.

III.13.3.3. Failure to Meet Critical Path Schedule.

If the ISO determines that any critical path schedule milestone date has been missed, or if the Project Sponsor proposes a change to any milestone date in a quarterly critical path schedule report (as described in Section III.13.3.2.1), then the ISO shall consult with the Project Sponsor to determine the impact of the missed milestone or proposed revision, and shall determine a revised date for the milestone and for any other milestones affected by the change. If a milestone date is revised for any reason, the ISO may require the Project Sponsor to submit a written report to the ISO on the fifth Business Day of each month until the revised milestone is achieved detailing the progress toward meeting the revised milestone. If the Project Sponsor does not provide a written critical path schedule report to the ISO on the fifth Business Day of a month, then the ISO shall issue a notice thereof to the Project Sponsor. If the Project Sponsor fails to provide the critical path schedule report within five Business Days of issuance of that notice, then the resource will be subject to termination pursuant to Section III.13.3.4A. Such a monthly reporting requirement, if imposed, shall be in addition to the quarterly critical path schedule reports described in Section III.13.3.2.

III.13.3.4. Covering Capacity Supply Obligations.

(a) If a capacity supplier determines that a resource may not be able to demonstrate its ability to deliver the full amount of its Capacity Supply Obligation, the capacity supplier may take actions to cover all or part of the Capacity Supply Obligation for any portion of the Capacity Commitment Period, as follows:

(i) A capacity supplier may cover its Capacity Supply Obligation through reconfiguration auctions as described in Section III.13.4.

(ii) A capacity supplier may cover its Capacity Supply Obligation through one or more Capacity Supply Obligation Bilaterals, subject to the satisfaction of the requirements in Section III.13.5.

(iii) A capacity supplier that has qualified a resource pursuant to Section III.13.1.1.1.2 may cover its Capacity Supply Obligation by electing, no later than ten Business Days prior to the offer and bid deadline for the third annual reconfiguration auction prior to the start of the applicable Capacity Commitment Period, to have the resource that was previously counted as a capacity resource cover the Capacity Supply Obligation of the New Generating Capacity Resource for up to two Capacity Commitment Periods. If an election is made to have the resource that was previously counted as a capacity resource cover the Capacity Supply Obligation of the New Generating Capacity Resource, the capacity supplier with the resource that was previously counted as a capacity resource shall be required to comply with the requirements set forth in Section III.13.6.1 so long as it continues to cover for the New Generating Capacity Resource.

(b) During a Capacity Commitment Period, a failure to cover charge will apply to any capacity resource that has not demonstrated the ability to deliver the full amount of its Capacity Supply Obligation by the end of an Obligation Month. The failure to cover charge is the difference between a resource's monthly Capacity Supply Obligation and its Maximum Demonstrated Output, multiplied by the Failure to Cover Charge Rate, where:

Maximum Demonstrated Output Period

Maximum Demonstrated Output Period is the period beginning six years prior to the start of the applicable Capacity Commitment Period and ending with the most recently completed calendar month in the Capacity Commitment Period, including all prior months in the Capacity Commitment Period.

Provided that, for a resource that has previously been counted as a capacity resource and for which an election has been made to participate as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2, and for which a cover election has been made pursuant to Section III.13.3.4(a)(iii), then: (1) the Maximum Demonstrated Output Period will be the Maximum Demonstrated Output Period of the resource that has been previously counted as capacity, and; (2) the Maximum Demonstrated Output Period of the New Generating Capacity Resource will begin on the earlier of: (i) the date that the resource that has previously been counted as a capacity resource began any outage as provided in Section III.13.1.1.1.2, and; (ii) the date that the New Generating Capacity Resource commenced Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff).

Failure to Cover Charge Rate

For Capacity Commitment Periods beginning prior to June 1, 2022, the Failure to Cover Charge Rate for a Capacity Zone is the higher of the Capacity Clearing Price and the clearing price in any annual reconfiguration auction for that Capacity Commitment Period.

For Capacity Commitment Periods beginning on or after June 1, 2022, the Failure to Cover Charge Rate for a Capacity Zone is the price determined by a second clearing of the third annual reconfiguration auction prior to the start of the Capacity Commitment Period in which the aggregated zonal quantities of undemonstrated Capacity Supply Obligation, as of the completion of the third annual reconfiguration auction, and as determined pursuant to Section III.13.3.4 (b), are included as demand bids at the Forward Capacity Auction Starting Price for each applicable Capacity Zone.

Provided that, if an existing resource is covering for a New Generating Capacity Resource pursuant to Section III.13.3.4(a)(iii), then the undemonstrated Capacity Supply Obligation for the New Generating Capacity Resource is the difference between the existing resource's Maximum Demonstrated Output and the new resource's Capacity Supply Obligation.

Maximum Demonstrated Output

The Maximum Demonstrated Output is the sum of the highest output levels achieved by each Generator Asset associated with a Generating Capacity Resource, each Demand Response Asset associated with an Active Demand Capacity Resources, assets associated with a Seasonal Peak Demand Resource or On-Peak Demand Resource, and each Distributed Energy Resource Aggregation associated with a Distributed Energy Capacity Resources during the Maximum Demonstrated Output Period as specified below. The minimum Maximum Demonstrated Output for all assets is zero.

Provided that, if a resource that was previously counted as capacity is covering for a New Generating Capacity Resource pursuant to Section III.13.3.4(a)(iii), then the Maximum Demonstrated Output is the sum of the highest aggregate output level achieved by each asset associated with the resource that has previously been counted as capacity during the Maximum Demonstrated Output Period.

At the asset level, Maximum Demonstrated Output is calculated as follows:

Demand Response Assets associated with an Active Demand Capacity Resource: The Maximum Demonstrated Output for dates occurring prior to June 1, 2018 is the highest audit value in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses. The Maximum Demonstrated Output for dates occurring on or after to June 1, 2018 will be equal to the highest demand reduction calculated, pursuant to Section III.8.4, in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses for non-Net Supply.

Distributed Generation associated with a Seasonal Peak Demand Resource or an On-Peak Demand Resource: The Maximum Demonstrated Output is the highest hourly metered output in the Maximum Demonstrated Output Period after the resource has completed testing and has achieved commercial operation, increased by average avoided peak transmission and distribution losses for non-Net Supply.

Load Management associated with a Seasonal Peak Demand Resource or an On-Peak Demand Resource: The Maximum Demonstrated Output is the highest hourly demand reduction value in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses for non-Net Supply.

Energy Efficiency associated with a Seasonal Peak Demand Resource or an On-Peak Demand Resource: The Maximum Demonstrated Output is the highest reported monthly performance value in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses.

Generator Assets: The Maximum Demonstrated Output for dates occurring prior to March 1, 2017 is the highest hourly Revenue Quality Metering in the Maximum Demonstrated Output Period beginning on or after Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff). The Maximum Demonstrated Output for dates occurring on or after March 1, 2017 is the highest Metered Quantity for Settlement in the Maximum Demonstrated Output Period beginning on or after Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff).

If a single Generator Asset is split into two or more new Generator Assets, the Maximum Demonstrated Output associated with the single Generation Asset will be prorated among the new assets based on their summer maximum net output. If multiple Generator Assets are consolidated to fewer assets, the Maximum Demonstrated Output of the Generator Assets that are being consolidated will be allocated to the consolidated assets based on the summer maximum net output.

Import Capacity Resources: For an Import Capacity Resource that is backed by external generation that has not achieved commercial operation at the time of qualification, in part or entirely, the Maximum Demonstrated Output is the highest revenue quality metered output for a five-minute or greater interval after the resource has completed testing and has achieved commercial operation. Provided that, the Maximum Demonstrated Output of an Import Capacity Resource associated with an Elective Transmission Upgrade may be limited by the highest demonstrated capability of the Elective Transmission Upgrade after the Elective Transmission Upgrade has completed testing and has achieved commercial operation.

Distributed Energy Resource Aggregations associated with a Distributed Energy Capacity Resource: The Maximum Demonstrated Output is the sum of the highest output levels achieved by each asset associated with the Distributed Energy Capacity Resource during the Maximum Demonstrated Output Period, pursuant to Section III.13.3.4.

III.13.3.4A Termination of Capacity Supply Obligations.

If a Project Sponsor fails to comply with the requirements of Sections III.13.3.2 or III.13.3.3, or if a Project Sponsor covers a Capacity Supply Obligation for two Capacity Commitment Periods, or if, as a result of milestone date revisions, the date by which a resource will have achieved all its critical path schedule milestones is more than two years after the beginning of the Capacity Commitment Period for which the resource first received a Capacity Supply Obligation, then the ISO, after consultation with the Project Sponsor, shall have the right, through a filing with the Commission, to terminate the resource's Capacity Supply Obligation for any future Capacity Commitment Periods and the resource's right to any payments associated with that Capacity Supply Obligation in the Capacity Commitment Period, and to adjust the resource's qualified capacity for participation in the Forward Capacity Market; provided that, where a Project Sponsor voluntarily withdraws its resource from critical path schedule monitoring in accordance with Section III.13.3.6, no filing with the Commission shall be necessary to terminate the

resource's Capacity Supply Obligation. Upon Commission ruling, the Project Sponsor shall forfeit any financial assurance provided with respect to that Capacity Supply Obligation. If in these circumstances, however, the ISO does not take steps to terminate the resource's Capacity Supply Obligation and instead permits the Project Sponsor to continue to cover its Capacity Supply Obligation, such continuation shall be subject to the ISO's right to revoke that permission and to file with the Commission to terminate the resource's Capacity Supply Obligation, and subject to continued reporting by the Project Sponsor as described in this Section III.13.3.

If a resource's Capacity Supply Obligation that was acquired in a substitution auction at a negative price is withdrawn or terminated, the Project Sponsor shall remain obligated for any settlement charges associated with the terminated Capacity Supply Obligation for the Capacity Commitment Period.

III.13.3.5. Termination of Interconnection Agreement.

If the ISO terminates, or files with the Commission to terminate, a resource's Capacity Supply Obligation as described in Section III.13.3.4A, the ISO shall have the right to terminate the Interconnection Agreement with that resource through a filing with the Commission and upon Commission ruling. If the Project Sponsor continues to cover all of its Capacity Supply Obligations while challenging such termination before the Commission, it shall retain its Queue Position.

III.13.3.6. Withdrawal from Critical Path Schedule Monitoring.

A Project Sponsor may withdraw its resource from critical path schedule monitoring by the ISO at any time by submitting a written request to the ISO. The ISO also may deem a resource withdrawn from critical path schedule monitoring if the Project Sponsor does not adhere to the requirements of this Section III.13.3. Any resource withdrawn from critical path schedule monitoring shall be subject to the provisions of Section III.13.3.4A.

III.13.3.7 Request to Defer Capacity Supply Obligation

A resource that has not yet achieved FCM Commercial Operation and that is subject to critical path schedule monitoring by the ISO pursuant to this Section III.13.3 may seek to defer the applicability of its entire Capacity Supply Obligation by one year pursuant to the provisions of this Section III.13.3.7.

A Project Sponsor seeking such a deferral must notify the ISO in writing no later than the first Business Day in September of the year prior to the third annual reconfiguration auction for the Capacity Commitment Period in which the resource has a Capacity Supply Obligation. If, after consultation with

the Project Sponsor, the ISO determines that the absence of the capacity in the first Capacity Commitment Period in which the resource has a Capacity Supply Obligation, as well as in the subsequent Capacity Commitment Period, would result in the violation of any NERC or NPCC (or their successors) criteria or of the ISO New England System Rules, not solely that it may result in the procurement of less capacity than the Installed Capacity Requirement (net of HQICCs) or the Local Sourcing Requirement for the Capacity Zone, then the ISO will review the specific reliability need with and seek feedback from the Reliability Committee and provide the Project Sponsor with a written determination to that effect within 30 days of the Project Sponsor's notification to the ISO.

If the ISO provides such a written determination, then the Project Sponsor may file with the Commission, no later than the first Business Day in November of the year prior to the third annual reconfiguration auction, a request to defer the applicability of its Capacity Supply Obligation by one year. Any such filing must include the ISO's written determination, and must also demonstrate that the deferral is critical to the resource's ability to achieve FCM Commercial Operation and that the reasons for the deferral are beyond the control of the Project Sponsor.

If the Commission approves the request, all of the rights, obligations, payments, and charges associated with the Capacity Supply Obligation described in Sections III.13.3.4(b), III.13.6 and III.13.7 shall only apply beginning one year after the start of the Capacity Commitment Period in which the resource has a Capacity Supply Obligation. Notwithstanding any other provision of this Section III.13, if the resource achieves FCM Commercial Operation prior to the deferred date, it will not be eligible to receive revenue in the Forward Capacity Market until the deferred date. Beginning on the deferred date, all of the rights, obligations, payments, and charges associated with the Capacity Supply Obligation shall apply, and the Capacity Supply Obligation and Capacity Clearing Price (indexed using the Handy-Whitman Index of Public Utility Construction Costs in effect as of December 31 of the year preceding the Capacity Commitment Period) associated with the Forward Capacity Auction in which the resource cleared as a new resource shall apply for the full duration of the Capacity Supply Obligation (including multi-year elections made pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7). A Project Sponsor will not take actions to cover the resource's Capacity Supply Obligation for the deferral period as described in Section III.13.3.4(a), but the other requirements of III.13.3, including all reporting requirements and the ISO's right to seek termination, shall continue to apply during the deferral period. Upon Commission approval of the deferral, the resource may not participate in any reconfiguration auctions or Capacity Supply Obligation Bilaterals for any portion of the deferral period. Beginning at 8:00 a.m. (Eastern Time) 30 days after Commission approval of the request, the Project Sponsor shall be required to provide an

additional amount of financial assurance as described in Section VII.B.2.c of the ISO New England Financial Assurance Policy.

Notwithstanding any other provision of this Section III.13, if any of the resource's Capacity Supply Obligation in the deferral period was shed in a reconfiguration auction or Capacity Supply Obligation Bilateral prior to Commission approval of the deferral request, then the resource's settlements shall be adjusted by the ISO to ensure that the resource does not receive any payments associated with that transaction in excess of the charges associated with that transaction; the resource will be responsible for any charges in excess of payments.

III.13.3.8. FCM Commercial Operation.

A resource (or portion thereof) achieves FCM Commercial Operation when (1) the ISO has determined that the resource (or portion thereof) has achieved all its critical path schedule milestones, including completion of any transmission upgrades necessary for the resource to obtain the requisite interconnection service; and (2) the ISO verifies the resource's (or a portion of the resource's) summer capacity rating (or, for a resource with winter capacity only, its winter capacity rating).

(a) For a Generating Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation as soon as practicable following the ISO's verification of the resource's summer capacity rating (or, for a resource with winter capacity only, its winter capacity rating), which may take place in any month of the year. The ISO shall verify the summer capacity rating of a Generating Capacity Resource that is an Intermittent Power Resource following no fewer than 30 consecutive calendar days of operation (for periods from October 1 through May 31, a Market Participant must request such verification).

(b) For a Demand Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation upon verifying that the Demand Capacity Resource described in the New Demand Capacity Resource Qualification Package has achieved its full demand reduction value, subject to the requirements of Section III.13.6.1.5.3(b).

(c) For an Import Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation upon demonstration that the Import Capacity Resource described in the New Capacity Qualification Package has achieved its full Qualified Capacity.

(d) For a Distributed Energy Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation upon verifying that the Distributed Energy Capacity Resource described in the New Distributed Energy Capacity Resource Qualification Package has achieved its full demand deviation value and net injection capability, subject to the requirements of Section III.13.6.1.7.3 and below.

(i) For facilities connected at a point of interconnection with net injection capability greater than or equal to 1 MW and less than 5 MW or facilities having a demand reduction value and net injection capability greater than 5 MW at a single Retail Delivery Point, these facilities shall map exactly to how the Distributed Energy Capacity Resource was qualified.

(ii) For facilities connected at a point of interconnection with net injection capability greater than or equal to 1 MW and less than 5 MW or facilities having a demand reduction value, to become fully commercial, the nameplate of each technology within the Distributed Energy Resource Aggregations mapped to the Distributed Energy Capacity Resource must be at least 70% of the expected nameplate of each technology used to support the Distributed Energy Capacity Resource Qualified Capacity.

III.13.4. Reconfiguration Auctions.

For each Capacity Commitment Period, the ISO shall conduct annual and monthly reconfiguration auctions as described in this Section III.13.4. Reconfiguration auctions only permit the trading of Capacity Supply Obligations; load obligations are not traded in reconfiguration auctions. Each reconfiguration auction shall use a static double auction (respecting the interface limits and capacity requirements modeled as specified in Sections III.13.4.5 and III.13.4.7) to clear supply offers (i.e., offers to assume a Capacity Supply Obligation) and demand bids (i.e., bids to shed a Capacity Supply Obligation) for each Capacity Zone included in the reconfiguration auction. Supply offers and demand bids will be modeled in the Capacity Zone where the associated resources are electrically interconnected. Resources that are able to meet the requirements in other Capacity Zones shall be allowed to clear to meet such requirements, subject to the constraints modeled in the auction.

III.13.4.1. Capacity Zones Included in Reconfiguration Auctions.

Each reconfiguration auction associated with a Capacity Commitment Period shall include each of, and only, the final Capacity Zones and external interfaces as determined through the Forward Capacity Auction for that Capacity Commitment Period, as described in Section III.13.2.3.4.

III.13.4.2. Participation in Reconfiguration Auctions.

Each supply offer and demand bid in a reconfiguration auction must be associated with a specific resource, and must satisfy the requirements of this Section III.13.4.2. All resource types may submit supply offers and demand bids in reconfiguration auctions. In accordance with Section III.A.9.2 of *Appendix A* of this Market Rule 1, supply offers and demand bids submitted for reconfiguration auctions shall not be subject to mitigation by the Internal Market Monitor. A supply offer or demand bid submitted for a reconfiguration auction shall not be limited by the associated resource's Economic Minimum Limit. Offers composed of separate resources may not participate in reconfiguration auctions. Participation in any reconfiguration auction is conditioned on full compliance with the applicable financial assurance requirements as provided in the ISO New England Financial Assurance Policy at the time of the offer and bid deadline. For annual reconfiguration auctions, the offer and bid deadline will be announced by the ISO no later than 30 days prior to that deadline. No later than 15 days before the offer and bid deadline for an annual reconfiguration auction, the ISO shall notify each resource of the amount of capacity that it may offer or bid in that auction, as calculated pursuant to this Section III.13.4.2. For monthly reconfiguration auctions, the offer and bid deadline will be announced by the ISO no later than 10 Business Days prior to that deadline. Upon issuance of the monthly bilateral results for the associated

Obligation Month, the ISO shall notify each resource of the amount of capacity that it may offer or bid in that monthly auction, as calculated pursuant to this Section III.13.4.2. For monthly reconfiguration auctions in which the most recently approved Winter Seasonal Claimed Capability established as of the fifth Business Day in June of the relevant Capacity Commitment Period is greater than the Winter ARA Qualified Capacity for the third annual reconfiguration auction, the ISO shall apply the greater of these two values to offer limits starting with the first monthly reconfiguration auction in the winter delivery period for the relevant Capacity Commitment Period, limited, as applicable, by the resource's CNR Capability.

III.13.4.2.1. Supply Offers.

Submission of supply offers in reconfiguration auctions shall be governed by this Section III.13.4.2.1. All supply offers in reconfiguration auctions shall be submitted by the Project Sponsor or Lead Market Participant, and shall specify the resource, the amount of capacity offered in MW, and the price, in dollars per kW/month. In no case may capacity associated with a Retirement De-List Bid or a Permanent De-List Bid that cleared in the Forward Capacity Auction, or a demand bid that cleared in a substitution auction, for a Capacity Commitment Period be offered in a reconfiguration auction for that, or any subsequent, Capacity Commitment Period, or any portion thereof. In no case may capacity associated with an Export Bid or an Administrative Export De-List Bid that cleared in the Forward Capacity Auction for a Capacity Commitment Period be offered in a reconfiguration auction for that Capacity Commitment Period, or any portion thereof.

III.13.4.2.1.1. Amount of Capacity That May Be Submitted in a Supply Offer in an Annual Reconfiguration Auction.

For each month of the Capacity Commitment Period associated with the annual reconfiguration auction, the ISO shall calculate the difference between the Summer ARA Qualified Capacity or Winter ARA Qualified Capacity, as applicable, and the amount of capacity from that resource that is already subject to a Capacity Supply Obligation for the month. The minimum of these 12 values shall be the amount of capacity up to which a resource may submit a supply offer in the annual reconfiguration auction.

III.13.4.2.1.2. Calculation of Summer ARA Qualified Capacity and Winter ARA Qualified Capacity.

III.13.4.2.1.2.1. First Annual Reconfiguration Auction and Second Annual Reconfiguration Auction.

III.13.4.2.1.2.1.1. Generating Capacity Resources Other than Intermittent Power Resources.

III.13.4.2.1.2.1.1.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any relevant [limitations identified in the interconnection review](#) ~~overlapping interconnection impacts as~~ described in Sections [III.13.1.1.2.3](#), [III.13.1.1.2.3A](#), or [III.13.1.1.2.3B](#) (as applicable)(f):

(a) For capacity that has achieved FCM Commercial Operation, the higher of the resource's summer Qualified Capacity as calculated for the Forward Capacity Auction for that Capacity Commitment Period and any summer Seasonal Claimed Capability values for summer periods completed after the Existing Capacity Retirement Deadline for the Forward Capacity Auction for the Capacity Commitment Period and before the start of the Capacity Commitment Period. The amount of capacity described in this Section III.13.4.2.1.2.1.1.1(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.2 and where the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.1.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any [limitations identified in the interconnection review](#) ~~relevant overlapping interconnection impacts as~~ described in [Sections III.13.1.1.2.3](#), [III.13.1.1.2.3A](#), or [III.13.1.1.2.3B](#) (as applicable)~~Section III.13.1.1.2.3(f)~~:

(a) For capacity that has achieved FCM Commercial Operation, the higher of the resource's winter Qualified Capacity as calculated for the Forward Capacity Auction for that Capacity Commitment Period and any winter Seasonal Claimed Capability values for winter periods completed after the Existing Capacity Retirement Deadline for the Forward Capacity Auction for the Capacity Commitment Period and before the start of the Capacity Commitment Period. The amount of capacity described in this Section III.13.4.2.1.2.1.1.2(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.1.2 and where the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.2. Intermittent Power Resources.

III.13.4.2.1.2.1.2.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any [limitations identified in the interconnection review relevant overlapping interconnection impacts](#) as described in Sections III.13.1.1.2.3, [III.13.1.1.2.3A](#), or [III.13.1.1.2.3B](#) (as applicable)(f):

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined summer Qualified Capacity. The amount of capacity described in this Section III.13.4.2.1.2.1.2.1(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii)

for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.2.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any ~~limitations identified in the interconnection review~~relevant overlapping interconnection impacts as described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable)~~(f)~~:

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined winter Qualified Capacity. The amount of capacity described in this Section III.13.4.2.1.2.1.2.2(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.3. Import Capacity Resources Backed By an External Control Area.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity and Winter ARA Qualified Capacity of an Import Capacity Resource shall be equal to its summer Qualified Capacity and winter Qualified Capacity, respectively, as determined for the Forward Capacity Auction for that Capacity Commitment Period.

III.13.4.2.1.2.1.3.1. Import Capacity Resources Backed by One or More External Resources.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity and Winter ARA Qualified Capacity of an Import Capacity Resource backed by one or more External Resources shall be the greater of:

(a) the summer Qualified Capacity and winter Qualified Capacity, respectively, as determined for the Forward Capacity Auction for that Capacity Commitment Period; and

(b) the amount of capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October and, if submitted for a New Import Capacity Resource backed by one or more External Resources, also subject to the satisfaction of the requirements in Sections III.13.1.3.5.1(b), III.13.1.3.5.2, and III.13.3.1.1 and the relevant financial assurance requirements as described in Section III.13.1.9 and the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.4. Demand Capacity Resources.

III.13.4.2.1.2.1.4.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined summer Qualified Capacity.

(ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

(b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:

(i) The sum of the most recently-determined summer demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the relevant Capacity

Commitment Period, and increased by average avoided peak transmission and distribution losses) and any summer capacity that has not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.

(ii) The amount of summer capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that is terminated or that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) that is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.1.4.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined winter Qualified Capacity.

(ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

(b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:

(i) The sum of the most recently-determined winter demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the winter period of the relevant Capacity Commitment Period, and increased by average avoided peak transmission

and distribution losses) and any winter capacity that has not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.

(ii) The amount of winter capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that is terminated or that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) that is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.1.5. Distributed Energy Capacity Resources.

III.13.4.2.1.2.1.5.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined summer Qualified Capacity.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.5.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined winter Qualified Capacity.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2. Third Annual Reconfiguration Auction.

III.13.4.2.1.2.2.1. Generating Capacity Resources other than Intermittent Power Resources.

III.13.4.2.1.2.2.1.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any [limitations identified in the interconnection review](#) ~~relevant overlapping interconnection impacts as~~ described in Sections [III.13.1.1.2.3](#), [III.13.1.1.2.3A](#), or [III.13.1.1.2.3B \(as applicable\)](#)(f):

(a) For capacity that has achieved FCM Commercial Operation, the resource's summer Seasonal Claimed Capability value in effect after the most recently completed summer period. The amount of capacity described in this Section III.13.4.2.1.2.2.1.1(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.1.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as

applicable, by the resource's CNR Capability and any [limitations identified in the interconnection review](#)~~relevant overlapping interconnection impacts as~~ described in Sections [III.13.1.1.2.3](#), [III.13.1.1.2.3A](#), or [III.13.1.1.2.3B \(as applicable\)](#)~~(f)~~:

(a) For capacity that has achieved FCM Commercial Operation, the resource's winter Seasonal Claimed Capability value in effect after the most recently completed winter period. The amount of capacity described in this Section [III.13.4.2.1.2.2.1.2\(a\)](#) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section [III.13.1.1.1.2](#) and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section [III.13.3](#); (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section [III.13.1.9](#) and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.2. Intermittent Power Resources.

III.13.4.2.1.2.2.2.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any [limitations identified in the interconnection review](#)~~relevant overlapping interconnection impacts as~~ described in Sections [III.13.1.1.2.3](#), [III.13.1.1.2.3A](#), or [III.13.1.1.2.3B \(as applicable\)](#)~~(f)~~:

(a) For capacity that has achieved FCM Commercial Operation, the lesser of its most recently-determined summer Qualified Capacity and its summer Seasonal Claimed Capability value in effect after the most recently competed summer period. The amount of capacity described in this Section [III.13.4.2.1.2.2.2.1\(a\)](#) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section [III.13.1.1.1.2](#) and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section [III.13.3](#); (ii) is expected to achieve all its

critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.2.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any [limitations identified in the interconnection review](#) ~~relevant overlapping interconnection impacts as~~ described in Sections [III.13.1.1.2.3](#), [III.13.1.1.2.3A](#), or [III.13.1.1.2.3B \(as applicable\)](#)~~(f)~~:

(a) For capacity that has achieved FCM Commercial Operation, the lesser of its most recently-determined winter Qualified Capacity and its winter Seasonal Claimed Capability value in effect after the most recently completed winter period. The amount of capacity described in this Section III.13.4.2.1.2.2.2.2(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.3. Import Capacity Resources.

III.13.4.2.1.2.2.3.1 Import Capacity Resources Backed by an External Control Area.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of an Import Capacity Resource shall be equal to the lesser of its summer Qualified Capacity as determined for the Forward Capacity Auction for that Capacity Commitment Period and the amount of capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October. For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of an Import Capacity Resource shall be equal to the lesser of its winter Qualified Capacity as

determined for the Forward Capacity Auction for that Capacity Commitment Period and the amount of capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October.

III.13.4.2.1.2.2.3.2. Import Capacity Resources Backed by One or More External Resources.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity and Winter ARA Qualified Capacity of an Import Capacity Resource backed by one or more External Resources shall be the lesser of:

(a) the summer Qualified Capacity and winter Qualified Capacity, respectively, as determined by the most recent Forward Capacity Auction that does not reflect a change to the Import Capacity Resource applicable to that Capacity Commitment Period; and

(b) the amount of capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October and, if submitted for a New Import Capacity Resource backed by one or more External Resources, also subject to the satisfaction of the requirements in Sections III.13.1.3.5.1(b), III.13.1.3.5.2, and III.13.3.1.1 and the relevant financial assurance requirements as described in Section III.13.1.9 and the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.4. Demand Capacity Resources.

III.13.4.2.1.2.2.4.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the lesser of: (1) its most recently-determined summer Qualified Capacity and (2) its summer Seasonal DR Audit value or summer Passive DR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

(ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

(b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:

(i) The sum of the most recently-determined summer demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the relevant Capacity Commitment Period, and increased by average avoided peak transmission and distribution losses) and any summer capacity that has not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.

(ii) The amount of summer capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) provided that the resource is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.2.4.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the lesser of: (1) its most recently-determined winter Qualified Capacity and (2) its winter Seasonal DR Audit value or winter Passive DR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

(ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

(b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:

(i) The sum of the most recently-determined winter demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the winter period of the relevant Capacity Commitment Period and increased by average avoided peak transmission and distribution losses) and any winter capacity that has cleared in a Forward Capacity Auction and not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.

(ii) The amount of winter capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) provided that the resource is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.2.5. Distributed Energy Capacity Resources.

III.13.4.2.1.2.2.5.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

(a) For capacity that has achieved FCM Commercial Operation, the lesser of: (i) its most recently-determined summer Qualified Capacity and (ii) its summer Seasonal DECR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.5.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

(a) For capacity that has achieved FCM Commercial Operation, the lesser of: (i) its most recently-determined winter Qualified Capacity and (ii) its winter Seasonal DECR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.3. Adjustment for Significant Decreases in Capacity.

For each month of the Capacity Commitment Period associated with the third annual reconfiguration auction, for each resource that has achieved FCM Commercial Operation, the ISO shall subtract the resource's Summer ARA Qualified Capacity or Winter ARA Qualified Capacity, as applicable, from the amount of capacity from the resource that is subject to a Capacity Supply Obligation for the month. For the month associated with the greatest of these 12 values (for Capacity Commitment Periods beginning on or before June 1, 2019) or the least of these 12 values (for Capacity Commitment Periods beginning on or after June 1, 2020), if the resource's Summer ARA Qualified Capacity or Winter ARA Qualified

Capacity (as applicable) is below the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month by:

- (1) for Capacity Commitment Periods beginning on or before June 1, 2019, more than the lesser of:
 - (i) 20 percent of the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month or;
 - (ii) 40 MW;
- (2) for Capacity Commitment Periods beginning on June 1, 2020, June 1, 2021 and June 1, 2022, more than the lesser of:
 - (i) the greater of 20 percent of the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month or two MW, or;
 - (ii) 40 MW;
- (3) for Capacity Commitment Periods beginning on or after June 1, 2023, more than the lesser of:
 - (i) the greater of 10 percent of the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month or two MW, or;
 - (ii) 10 MW;

then the following provisions shall apply:

(a) The Lead Market Participant may submit a written plan to the ISO with any necessary supporting documentation describing the measures that will be taken and demonstrating that the resource will be able to provide an amount of capacity consistent with its total Capacity Supply Obligation for the Capacity Commitment Period by the start of all months in that Capacity Commitment Period in which the resource has a Capacity Supply Obligation. If submitted, such a plan must be received by the ISO no later than 10 Business Days after the ISO has notified the Lead Market Participant of its Summer ARA Qualified Capacity and Winter ARA Qualified Capacity for the third annual reconfiguration auction.

(b) If no such plan as described in Section III.13.4.2.1.3(a) is timely submitted to the ISO, or if such a plan is timely submitted but the ISO determines that the plan does not demonstrate that the resource will be able to provide the necessary amount of capacity by the start of all months in the Capacity Commitment Period in which the resource has a Capacity Supply Obligation, then the ISO shall enter a demand bid at the Forward Capacity Auction Starting Price on behalf of the resource (with all payments, charges, rights, obligations, and other results associated with such bid applying to the resource as if the resource itself had submitted the bid) in the third annual reconfiguration auction in an amount equal to:

- (1) for Capacity Commitment Periods beginning prior to June 1, 2020, the greatest of the 12 monthly values determined pursuant to this Section III.13.4.2.1.3;
- (2) for Capacity Commitment Periods beginning on June 1, 2020, June 1, 2021 and June 1, 2022, where the Capacity Supply Obligation and Qualified Capacity values are those for the month in which the values as determined pursuant to Section III.13.4.2.1.3 vary the least, the greater of:
 - (i) the resource's Capacity Supply Obligation minus (Qualified Capacity divided by 0.8), and;
 - (ii) the resource's Capacity Supply Obligation minus Qualified Capacity minus 40 MW;
- (3) for Capacity Commitment Periods beginning on or after June 1, 2023, where the Capacity Supply Obligation and Qualified Capacity values are those for the month in which the values as determined pursuant to Section III.13.4.2.1.3 vary the least, the greater of:
 - (i) the resource's Capacity Supply Obligation minus (Qualified Capacity divided by 0.9), and;
 - (ii) the resource's Capacity Supply Obligation minus Qualified Capacity minus 10 MW.

III.13.4.2.1.4. Amount of Capacity That May Be Submitted in a Supply Offer in a Monthly Reconfiguration Auction.

A resource may not submit a supply offer for a monthly reconfiguration auction unless it is expected to achieve FCM Commercial Operation prior to the end of the relevant Obligation Month, unless the resource has a negative Capacity Supply Obligation, in which case it may submit a supply offer for that reconfiguration auction in an amount up to the absolute value of its Capacity Supply Obligation. A resource may not submit a supply offer for a monthly reconfiguration auction if it is on an approved outage during that month. The amount of capacity up to which a resource may submit a supply offer in a monthly reconfiguration auction shall be the difference (but in no case less than zero) between the values determined pursuant to subsections (a) and (b) below:

- (a) The resource's Summer ARA Qualified Capacity or Winter ARA Qualified Capacity as adjusted pursuant to Section III.13.4.2, as applicable, for the auction month for the third annual reconfiguration auction for the relevant Capacity Commitment Period or, where the resource did not qualify for the third annual reconfiguration auction for the relevant Capacity Commitment Period, the quantity of MW either being monitored by the ISO in accordance with Section III.13.3 (provided that all applicable Financial Assurance requirements have been met and the resource is expected to achieve all its critical path schedule milestones prior to the end of the relevant Obligation Month in accordance with posted schedules) or the amount of capacity that achieved all its critical path schedule milestones after the third

annual reconfiguration qualification deadline; provided that the value determined pursuant to this subsection (a) shall be limited by the resource's CNR Capability and any [limitations identified in the interconnection review](#)~~relevant overlapping interconnection impacts as~~ described in Sections III.13.1.1.2.3~~(f)~~ or, for a Demand Capacity Resource, the amount of Qualified Capacity for the relevant Capacity Commitment Period.

(b) The amount of capacity from that resource that is already subject to a Capacity Supply Obligation for that month.

III.13.4.2.1.5. ISO Review of Supply Offers.

Supply offers in reconfiguration auctions shall be reviewed by the ISO to ensure the regional and local adequacy achieved through the Forward Capacity Auction and other reliability needs are maintained. The ISO's reviews will consider the location and operating and rating limitations of resources associated with cleared supply offers to ensure reliability standards will remain satisfied if the offer is accepted. The ISO shall reject supply offers that would otherwise clear in a reconfiguration auction that will result in a violation of any NERC or NPCC criteria, or ISO New England System Rules during the Capacity Commitment Period associated with the reconfiguration auction. The ISO's reliability reviews will assess such offers, beginning with the marginal resource, based on operable capacity needs while considering any approved or interim approved transmission outage information and any approved Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation outage information, and will include transmission security studies. Supply offers that cannot meet the applicable reliability needs will be rejected in their entirety and the resource will not be rejected in part. Rejected resources will not be further included in clearing the reconfiguration auction and the Lead Market Participant or Project Sponsor, as appropriate, shall be notified as soon as practicable after the reconfiguration auction of the rejection and of the reliability need prompting such rejection.

III.13.4.2.2. Demand Bids in Reconfiguration Auctions.

Submission of demand bids in reconfiguration auctions shall be governed by this Section III.13.4.2.2. All demand bids in reconfiguration auctions shall be submitted by the Project Sponsor or Lead Market Participant, and shall specify the amount of capacity bid in MW, and the price, in dollars per kW/month.

(a) To submit a demand bid in a reconfiguration auction, a resource must have a Capacity Supply Obligation for the Capacity Commitment Period (or portion thereof, as applicable) associated with that reconfiguration auction. Where capacity associated with a Self-Supplied FCA Resource that cleared in the

Forward Capacity Auction for the Capacity Commitment Period is offered in a reconfiguration auction for that Capacity Commitment Period, or any portion thereof, a resource acquiring a Capacity Supply Obligation shall not as a result become a Self-Supplied FCA Resource.

(b) Each demand bid submitted to the ISO for reconfiguration auction shall be no greater than the amount of the resource's capacity that is already obligated for the Capacity Commitment Period (or portion thereof, as applicable) as of the offer and bid deadline for the reconfiguration auction.

(c) All demand bids in reconfiguration auctions shall be reviewed by the ISO to ensure the regional and local adequacy achieved through the Forward Capacity Auction and other reliability needs are maintained. The ISO's reviews will consider the location and operating and rating limitations of resources associated with demand bids that would otherwise clear to ensure reliability standards will remain satisfied if the committed capacity is withdrawn. The ISO shall reject demand bids that would otherwise clear in a reconfiguration auction that will result in a violation of any NERC or NPCC criteria or ISO New England System Rules during the Capacity Commitment Period associated with the reconfiguration auction, provided that for annual reconfiguration auctions associated with a Capacity Commitment Period that begins on or after June 1, 2018, the ISO shall not reject a demand bid solely on the basis that acceptance of the demand bid may result in the procurement of less capacity than the Installed Capacity Requirement (net of HQICCs). For monthly reconfiguration auctions, the ISO shall obtain and consider information from the Local Control Center regarding whether the capacity associated with demand bids that would otherwise clear from resources with a Capacity Supply Obligation is needed for local system conditions. The ISO's reliability reviews will assess such bids, beginning with the marginal resource, based on operable capacity needs while considering any approved or interim approved transmission outage information and any approved Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation outage information, and will include transmission security studies. Where the applicable reliability needs cannot be met if a Demand Bid is cleared, such Demand Bids will be rejected in their entirety and the resource will not be rejected in part. Demand Bids from rejected resources will not be further included in clearing the reconfiguration auction, and the Lead Market Participant or Project Sponsor, as appropriate, shall be notified as soon as practicable after the reconfiguration auction of the rejection and of the reliability need prompting such rejection.

III.13.4.3. [Reserved.]

III.13.4.4. Clearing Offers and Bids in Reconfiguration Auctions.

All supply offers and demand bids may be cleared in whole or in part in all reconfiguration auctions. If after clearing, a resource has a Capacity Supply Obligation below its Economic Minimum Limit, it must meet the requirements of Section III.13.6.1.1.1.

III.13.4.5. Annual Reconfiguration Auctions.

Except as provided below, after the Forward Capacity Auction for a Capacity Commitment Period, and before the start of that Capacity Commitment Period, the ISO shall conduct three annual reconfiguration auctions for capacity commitments covering the whole of that Capacity Commitment Period. For each annual reconfiguration auction, the capacity demand curves, New England Control Area and Capacity Zone capacity requirements and external interface limits, as updated pursuant to Section III.12, shall be modeled in the auction consistent with the Forward Capacity Auction for the associated Capacity Commitment Period. For purposes of the annual reconfiguration auctions, the Forward Capacity Auction Starting Price used to define the System-Wide Capacity Demand Curve shall be the Forward Capacity Auction Starting Price associated with the Forward Capacity Auction for the same Capacity Commitment Period addressed by the reconfiguration auction.

III.13.4.5.1. Timing of Annual Reconfiguration Auctions.

The first annual reconfiguration auction for the Capacity Commitment Period shall be held in the month of June that is approximately 24 months before the start of the Capacity Commitment Period. The second annual reconfiguration auction for the Capacity Commitment Period shall be held in the month of August that is approximately 10 months before the start of the Capacity Commitment Period. The third annual reconfiguration auction for the Capacity Commitment Period shall be held in the month of March that is approximately 3 months before the start of the Capacity Commitment Period.

III.13.4.5.2. Acceleration of Annual Reconfiguration Auction.

If the difference between the forecasted Installed Capacity Requirement (net of HQICCs) for a Capacity Commitment Period and the amount of capacity obligated for that Capacity Commitment Period is sufficiently large, then the ISO may, upon reasonable notice to Market Participants, conduct an annual reconfiguration auction as much as six months earlier than its normally-scheduled time.

III.13.4.6. [Reserved.]

III.13.4.7. Monthly Reconfiguration Auctions.

Prior to each month in the Capacity Commitment Period, the ISO shall conduct a monthly reconfiguration auction for whole-month capacity commitments during that month. For each monthly reconfiguration auction for Capacity Commitment Periods beginning before June 1, 2020, the Local Sourcing Requirement and Maximum Capacity Limit applicable for each Capacity Zone and external interface limits, as updated pursuant to Section III.12, shall be modeled as constraints in the auction. For each monthly reconfiguration auction for Capacity Commitment Periods beginning or after June 1, 2020, the truncation points for import-constrained Capacity Zones and export-constrained Capacity Zones specified in Section III.13.2.2.2 and Section III.13.2.2.3, and external interface limits, as updated pursuant to Section III.12, shall be modeled as constraints in the auction. The System-Wide Capacity Demand Curve is not modeled in monthly reconfiguration auctions.

III.13.4.8. Adjustment to Capacity Supply Obligations.

For each supply offer that clears in a reconfiguration auction, the resource's Capacity Supply Obligation for the relevant Capacity Commitment Period (or portion thereof, as applicable) shall be increased by the amount of capacity that clears. For each demand bid that clears in a reconfiguration auction, the resource's Capacity Supply Obligation for the relevant Capacity Commitment Period (or portion thereof, as applicable) shall be decreased by the amount of capacity that clears.

III.13.8. Reporting and Price Finality

III.13.8.1. Filing of Certain Determinations Made By the ISO Prior to the Forward Capacity Auction and Challenges Thereto.

(a) For each Forward Capacity Auction, no later than 90 days prior to the first day of the auction, the ISO shall make a filing with the Commission pursuant to Section 205 of the Federal Power Act describing the Permanent De-List Bids and Retirement De-List Bids established pursuant to Section III.13.1.2.3.2, including any price adjustments made pursuant to Section III.13.1.2.3.1.5(d). The ISO will file the following information confidentially: the determinations made by the Internal Market Monitor with respect to each Permanent De-List Bid and Retirement De-List Bid, and supporting documentation for each such determination. The confidential filing shall indicate those resources that will permanently de-list or retire prior to the Forward Capacity Auction and those Permanent De-List Bids and Retirement De-List Bids for which a Lead Market Participant has made an election pursuant to Section III.13.1.2.4.1.

(b) The Forward Capacity Auction shall be conducted using the determinations as approved by the Commission (unless the Commission directs otherwise), and challenges to Capacity Clearing Prices resulting from the Forward Capacity Auction shall be reviewed in accordance with the provisions of Section III.13.8.2(c).

(c) For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the informational filing required under this Section III.13.8.1(c) shall be submitted to the Commission on November 22, 2023. For each Forward Capacity Auction, no later than 90 days prior to the first day of the auction, the ISO shall make an informational filing with the Commission detailing the following determinations made by the ISO with respect to that Forward Capacity Auction, and providing supporting documentation for each such determination, provided, however, that the determinations in subsections (vi), (vii), (viii), and (ix) below shall be filed confidentially with the Commission in the informational filing, except determinations on which new resources have been rejected due to ~~overlapping interconnection~~ deliverability impacts (the determinations in subsections (vi), (vii), (viii), and (ix) shall be published by the ISO no later than 15 days after the Forward Capacity Auction, with the exception of bid price and offer price information and submitted Load-Side Relationship Certifications, which shall remain confidential):

(i) which Capacity Zones shall be modeled in the Forward Capacity Auction;

- (ii) the transmission interface limits as determined pursuant to Section III.12.5;
- (iii) which existing and proposed transmission lines the ISO determines will be in service by the start of the Capacity Commitment Period associated with the Forward Capacity Auction;
- (iv) the expected amount of installed capacity in each modeled Capacity Zone during the Capacity Commitment Period associated with the Forward Capacity Auction, and the Local Sourcing Requirement for each modeled import-constrained Capacity Zone and the Maximum Capacity Limit for each modeled export-constrained Capacity Zone;
- (v) for each resource that submitted a Load-Side Relationship Certification, the following information: the resource technology type; which qualifying circumstance in Section III.A.21.1.3 was asserted in the Load-Side Relationship Certification; the relevant state policy asserted in the Load-Side Relationship Certification, if any; whether the ISO accepted or rejected the Load-Side Relationship Certification; and, consequently, whether the resource was subject to a review for the exercise of buyer-side market power;
- (vi) which new resources are accepted and rejected in the qualification process to participate in the Forward Capacity Auction;
- (vii) which new resources were not reviewed for an exercise of buyer-side market power because of one of the conditions described in Sections III.A.21.1.1, III.A.21.1.2, or III.A.21.1.3; the condition met by each such resource; and, for new resources that submitted a Load-Side Relationship Certification, the Load-Side Relationship Certification submitted by the resource;
- (viii) the Internal Market Monitor's determinations made as part of any buyer-side market power review conducted pursuant to Section III.A.21.2 and any New Resource Offer Floor Price determinations made pursuant to Section III.A.21.3 with regard to a new resource, and the basis for any such determinations; for the avoidance of doubt, any information employed by the Internal Market Monitor in making these determinations related to the potential impact of a New Capacity Resource's offer on Capacity Clearing Prices, including any such information filed by the ISO in response to a pleading filed with the Commission, shall be filed confidentially and shall not be released to any entity, including to the Project Sponsor whose offer is the subject of dispute;

(ix) the Internal Market Monitor's determinations regarding offers or Static De-List Bids, Export Bids, and Administrative De-List Bids submitted during the qualification process made according to the provisions of this Section III.13, including an explanation of the Internal Market Monitor-determined prices established for any Static De-List Bids, Export Bids, and Administrative De-List Bids as described in Section III.13.1.2.3.2 based on the Internal Market Monitor review and the resource's net going forward costs, reasonable expectations about the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs as determined by the Internal Market Monitor. The filing shall identify to the extent possible the components of the bid which were accepted as justified, and shall also identify to the extent possible the components of the bid which were not justified and which resulted in the Internal Market Monitor establishing an Internal Market Monitor-determined price for the bid;

(x) which existing resources are qualified to participate in the Forward Capacity Auction (this information will include resource type, capacity zone, and qualified MW); and

(xi) aggregate MW from new resources qualified to participate in the Forward Capacity Auction and aggregate de-list bid amounts.

(d) Any comments or challenges to the determinations contained in the informational filing described in Section III.13.8.1(c) or in the qualification determination notifications described in Sections III.13.1.1.2.8, III.13.1.2.4(b), III.13.1.3.5.7, III.13.1.4.1.1.6, and III.13.1.4A.1.1.7 must be filed with the Commission no later than 15 days after the ISO's submission of the informational filing. If the Commission does not issue an order within 75 days after the ISO's submission of the informational filing (for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) this period shall be 61 days) that directs otherwise, the determinations contained in the informational filing shall be used in conducting the Forward Capacity Auction, and challenges to Capacity Clearing Prices resulting from the Forward Capacity Auction shall be reviewed in accordance with the provisions of Section III.13.8.2(c). If within 75 days after the ISO's submission of the informational filing (for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) this period shall be 61 days), the Commission does issue an order modifying one or more of the ISO's determinations, then the Forward Capacity Auction shall be conducted no earlier than 15 days following that order (for the eighteenth Forward Capacity Auction

(associated with the 2027-2028 Capacity Commitment Period) this period shall be 14 days) using the determinations as modified by the Commission (unless the Commission directs otherwise), and challenges to Capacity Clearing Prices resulting from the Forward Capacity Auction shall be reviewed in accordance with the provisions of Section III.13.8.2(c).

III.13.8.2. Filing of Forward Capacity Auction Results and Challenges Thereto.

(a) As soon as practicable after the Forward Capacity Auction is complete, the ISO shall file the results of that Forward Capacity Auction with the Commission pursuant to Section 205 of the Federal Power Act, including the final set of Capacity Zones resulting from the auction, the Capacity Clearing Price in each of those Capacity Zones (and the Capacity Clearing Price associated with certain imports pursuant to Section III.13.2.3.3(d), if applicable), the substitution auction clearing prices and the total amount of payments associated with any demand bids cleared at a substitution auction clearing price above their demand bid prices, and a list of which resources received Capacity Supply Obligations in each Capacity Zone and the amount of those Capacity Supply Obligations. ~~Upon completion of the fourth and future auctions, such list of resources that receive Capacity Supply Obligation shall also specify which resources cleared as Conditional Qualified New Resources. Upon completion of the fourth and future auctions, the filing shall also list each Long Lead Time Facility, as defined in Schedule 22 or Schedule 25 of Section II of the Transmission, Markets and Services Tariff, that secured a Queue Position to participate as a New Generating Capacity Resource in the Forward Capacity Auction and each resource with lower queue priority that was selected in the Forward Capacity Auction subject to a Long Lead Time Facility with the higher queue priority.~~ The filing shall also enumerate de-list bids rejected for reliability reasons pursuant to Section III.13.2.5.2.5, and the reasons for those rejections.

(b) The filing of Forward Capacity Auction results made pursuant to this Section III.13.8.2 shall also include documentation regarding the competitiveness of the Forward Capacity Auction, which may include a certification from the auctioneer and the ISO that: (i) all entities offering and bidding in the Forward Capacity Auction were properly qualified in accordance with the provisions of Section III.13.1; and (ii) the Forward Capacity Auction was conducted in accordance with the provisions of Section III.13.

(c) Any objection to the Forward Capacity Auction results must be filed with the Commission within 45 days after the ISO's filing of the Forward Capacity Auction results. The filing of a timely objection with the Commission will be the exclusive means of challenging the Forward Capacity Auction results.

(d) Any change to the Transmission, Markets and Services Tariff affecting the Forward Capacity Market or the Forward Capacity Auction that is filed after the results of a Forward Capacity Auction have been accepted or approved by the Commission shall not affect those Forward Capacity Auction results.

ATTACHMENT 2

I.2 Rules of Construction; Definitions

I.2.1 Rules of Construction:

In this Tariff, unless otherwise provided herein:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting a gender include all genders;
- (c) references to a particular part, clause, section, paragraph, article, exhibit, schedule, appendix or other attachment shall be a reference to a part, clause, section, paragraph, or article of, or an exhibit, schedule, appendix or other attachment to, this Tariff;
- (d) the exhibits, schedules and appendices attached hereto are incorporated herein by reference and shall be construed with an as an integral part of this Tariff to the same extent as if they were set forth verbatim herein;
- (e) a reference to any statute, regulation, proclamation, ordinance or law includes all statutes, regulations, proclamations, amendments, ordinances or laws varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, policies, protocols, codes, proclamations and ordinances issued or otherwise applicable under that statute unless, in any such case, otherwise expressly provided in any such statute or in this Tariff;
- (f) a reference to a particular section, paragraph or other part of a particular statute shall be deemed to be a reference to any other section, paragraph or other part substituted therefor from time to time;
- (g) a definition of or reference to any document, instrument or agreement includes any amendment or supplement to, or restatement, replacement, modification or novation of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;
- (h) a reference to any person (as hereinafter defined) includes such person's successors and permitted assigns in that designated capacity;
- (i) any reference to "days" shall mean calendar days unless "Business Days" (as hereinafter defined) are expressly specified;
- (j) if the date as of which any right, option or election is exercisable, or the date upon which any amount is due and payable, is stated to be on a date or day that is not a Business Day, such right, option or election may be exercised, and such amount shall be deemed due and payable, on the next succeeding Business Day with the same effect as if the same was exercised or made on such date or day (without, in the case of any such payment, the payment or accrual of any interest or

other late payment or charge, provided such payment is made on such next succeeding Business Day);

- (k) words such as “hereunder,” “hereto,” “hereof” and “herein” and other words of similar import shall, unless the context requires otherwise, refer to this Tariff as a whole and not to any particular article, section, subsection, paragraph or clause hereof; and a reference to “include” or “including” means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

I.2.2. Definitions:

In this Tariff, the terms listed in this section shall be defined as described below:

Active Demand Capacity Resource is one or more Demand Response Resources located within the same Dispatch Zone, that is registered with the ISO, assigned a unique resource identification number by the ISO, and participates in the Forward Capacity Market to fulfill a Market Participant’s Capacity Supply Obligation pursuant to Section III.13 of Market Rule 1.

Actual Capacity Provided is the measure of capacity provided during a Capacity Scarcity Condition, as described in Section III.13.7.2.2 of Market Rule 1.

Actual Load is the consumption at the Retail Delivery Point for the hour.

Additional Resource Blackstart O&M Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Additional Resource Specified-Term Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Additional Resource Standard Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Administrative Costs are those costs incurred in connection with the review of Applications for transmission service and the carrying out of System Impact Studies and Facilities Studies.

Administrative Export De-List Bid is a bid that may be submitted in a Forward Capacity Auction by certain Existing Generating Capacity Resources subject to a multi-year contract to sell capacity outside of the New England Control Area during the associated Capacity Commitment Period, as described in Section III.13.1.2.3.1.4 of Market Rule 1.

ADR Neutrals are one or more firms or individuals identified by the ISO with the advice and consent of the Participants Committee that are prepared to act as neutrals in ADR proceedings under Appendix D to Market Rule 1.

Advance is defined in Section IV.A.3.2 of the Tariff.

Affected Party, for purposes of the ISO New England Billing Policy, is defined in Section 6.3.5 of the ISO New England Billing Policy.

Affiliate is any person or entity that controls, is controlled by, or is under common control by another person or entity. For purposes of this definition, "control" means the possession, directly or indirectly, of the authority to direct the management or policies of an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

AGC is automatic generation control.

AGC SetPoint is the desired output signal for a Resource providing Regulation that is produced by the AGC system as frequently as every four seconds.

AGC SetPoint Deadband is a deadband expressed in megawatts that is applied to changing values of the AGC SetPoint for generating units.

Allocated Assessment is a Covered Entity's right to seek and obtain payment and recovery of its share in any shortfall payments under Section 3.3 or Section 3.4 of the ISO New England Billing Policy.

Alternative Dispute Resolution (ADR) is the procedure set forth in Appendix D to Market Rule 1.

Alternative Technology Regulation Resource (ATRR) is one or more facilities capable of providing Regulation that have been registered in accordance with the Asset Registration Process. An Alternative Technology Regulation Resource is eligible to participate in the Regulation Market.

Ancillary Services are those services that are necessary to support the transmission of electric capacity and energy from resources to loads while maintaining reliable operation of the New England Transmission System in accordance with Good Utility Practice.

Announced Schedule 1 EA Amount, Announced Schedule 2 EA Amount, Announced Schedule 3 EA Amount are defined in Section IV.B.2.2 of the Tariff.

Annual Transmission Revenue Requirements are the annual revenue requirements of a PTO's PTF or of all PTOs' PTF for purposes of the OATT shall be the amount determined in accordance with Attachment F to the OATT.

Annual Reconfiguration Transaction is a bilateral transaction that may be used in accordance with Section III.13.5.4 of Market Rule 1 to specify a price when a Capacity Supply Obligation is transferred using supply offers and demand bids in Annual Reconfiguration Auctions.

Applicants, for the purposes of the ISO New England Financial Assurance Policy, are entities applying for Market Participant status or for transmission service from the ISO.

Application is a written request by an Eligible Customer for transmission service pursuant to the provisions of the OATT.

Asset is a Generator Asset, a Demand Response Asset, a component of an On-Peak Demand Resource or Seasonal Peak Demand Resource, a Distributed Energy Resource participating as part of Demand Response Distributed Energy Resource Aggregation, a Settlement Only Distributed Energy Resource Aggregation, a Load Asset (including an Asset Related Demand), an Alternative Technology Regulation Resource, or a Tie-Line Asset.

Asset Registration Process is the ISO business process for registering an Asset.

Asset Related Demand is a Load Asset that has been discretely modeled within the ISO's dispatch and settlement systems, settles at a Node, has been registered in accordance with the Asset Registration Process, and is made up of either: (1) one or more individual end-use metered customers receiving service from the same point or points of electrical supply with an aggregate average hourly load of 1 MW or greater during the 12 months preceding its registration; (2) a Storage DARD with a consumption capability of at least 0.1 MW; or (3) one or more storage facilities that are not Electric Storage Facilities with an aggregate consumption capability of at least 1 MW.

Asset Related Demand Bid Block-Hours are Block-Hours assigned to the Lead Market Participant for each Asset Related Demand bid. Blocks of the bid in effect for each hour will be totaled to determine the daily quantity of Asset Related Demand Bid Block-Hours. In the case that a Resource has a Real-Time unit status of "unavailable" for an entire day, that day will not contribute to the quantity of Asset Related Demand Bid Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Asset Related Demand Bid Block-Hours.

Asset-Specific Going Forward Costs are the net costs of an asset that is part of an Existing Generating Capacity Resource, calculated for the asset in the same manner as the net costs of Existing Generating Capacity Resources as described in Section III.13.1.2.3.2.1.1.1 (for an asset with a Static De-List Bid or an Export Bid) or Section III.13.1.2.3.2.1.1.2 (for an asset with a Permanent De-List Bid or Retirement De-List Bid).

Assigned Meter Reader reports to the ISO the hourly and monthly MWh associated with the Asset. These MWh are used for settlement. The Assigned Meter Reader may designate an agent to help fulfill its Assigned Meter Reader responsibilities; however, the Assigned Meter Reader remains functionally responsible to the ISO.

Auction Revenue Right (ARR) is a right to receive FTR Auction Revenues in accordance with Appendix C of Market Rule 1.

Auction Revenue Right Allocation (ARR Allocation) is defined in Section 1 of Appendix C of Market Rule 1.

Auction Revenue Right Holder (ARR Holder) is an entity which is the record holder of an Auction Revenue Right (excluding an Incremental ARR) in the register maintained by the ISO.

Authorized Commission is defined in Section 3.3 of the ISO New England Information Policy.

Authorized Person is defined in Section 3.3 of the ISO New England Information Policy.

Automatic Response Rate is the response rate, in MW/Minute, at which a Market Participant is willing to have a Regulation Resource change its output or consumption while providing Regulation between the Regulation High Limit and Regulation Low Limit.

Available Energy is a value that reflects the MWhs of energy available from an Electric Storage Facility for economic dispatch.

Available Storage is a value that reflects the MWhs of unused storage available from an Electric Storage Facility for economic dispatch of consumption.

Average Hourly Load Reduction is either: (i) the sum of the On-Peak Demand Resource's electrical energy reduction during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Resource's electrical energy reduction during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. The On-Peak Demand Resource's or Seasonal Peak Demand Resource's electrical energy reduction and Average Hourly Load Reduction shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

Average Hourly Output is either: (i) the sum of the On-Peak Demand Resource's electrical energy output during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Resource's electrical energy output during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. Electrical energy output and Average Hourly Output shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

Backstop Transmission Solution is a solution proposed: (i) to address a reliability or market efficiency need identified by the ISO in a Needs Assessment reported by the ISO pursuant to Section 4.1(i) of Attachment K to the ISO OATT, (ii) by the PTO or PTOs with an obligation under Schedule 3.09(a) of the TOA to address the identified need; and (iii) in circumstances in which the competitive solution process specified in Section 4.3 of Attachment K to the ISO OATT will be utilized.

Bankruptcy Code is the United States Bankruptcy Code.

Bankruptcy Event occurs when a Covered Entity files a voluntary or involuntary petition in bankruptcy or commences a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against such Covered Entity as debtor.

Benchmark Scenario is an Economic Study reference scenario that is described in Section 17.2(a) of Attachment K to the OATT.

Bilateral Contract (BC) is any of the following types of contracts: Internal Bilateral for Load, Internal Bilateral for Market for Energy, and External Transactions.

Bilateral Contract Block-Hours are Block-Hours assigned to the seller and purchaser of an Internal Bilateral for Load, Internal Bilateral for Market for Energy and External Transactions; provided, however, that only those contracts which apply to the Real-Time Energy Market will accrue Block-Hours.

Binary Storage DARD is a DARD that participates in the New England Markets as part of a Binary Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Binary Storage Facility is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Blackstart Capability Test is the test, required by ISO New England Operating Documents, of a resource's capability to provide Blackstart Service.

Blackstart Capital Payment is the annual compensation, as calculated pursuant to Section 5.1, or as referred to in Section 5.2, of Schedule 16 to the OATT, for a Designated Blackstart Resource's Blackstart Equipment capital costs associated with the provision of Blackstart Service (excluding the capital costs

associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Blackstart Equipment is any equipment that is solely necessary to enable the Designated Blackstart Resource to provide Blackstart Service and is not required to provide other products or services under the Tariff.

Blackstart O&M Payment is the annual Blackstart O&M compensation calculated under either Section 5.1 or 5.2 of Schedule 16 of the OATT, as applicable.

Blackstart Owner is the Market Participant who is authorized on behalf of the Generator Owner(s) to offer or operate the resource as a Designated Blackstart Resource and is authorized to commit the resource to provide Blackstart Service.

Blackstart Service is the Ancillary Service described in Section II.47 of the Tariff and Schedule 16 of the OATT.

Blackstart Service Commitment is the commitment by a Blackstart Owner for its resource to provide Blackstart Service and the acceptance of that commitment by the ISO, in the manner detailed in ISO New England Operating Procedure No. 11 – Designated Blackstart Resource Administration (OP 11), and which includes a commitment to provide Blackstart Service established under Operating Procedure 11 – Designated Blackstart Resource Administration (OP11).

Blackstart Service Minimum Criteria are the minimum criteria that a Blackstart Owner and its resource must meet in order to establish and maintain a resource as a Designated Blackstart Resource.

Blackstart Standard Rate Payment is the formulaic rate of monthly compensation, as calculated pursuant to Section 5 of Schedule 16 to the OATT, paid to a Blackstart Owner for the provision of Blackstart Service from a Designated Blackstart Resource.

Blackstart Station is comprised of (i) a single Designated Blackstart Resource or (ii) two or more Designated Blackstart Resources that share Blackstart Equipment.

Blackstart Station-specific Rate Payment is the Commission-approved compensation, as calculated pursuant to Section 5.2 of Schedule 16 to the OATT, paid to a Blackstart Owner on a monthly basis for the provision of Blackstart Service by Designated Blackstart Resources located at a specific Blackstart Station.

Blackstart Station-specific Rate Capital Payment is a component of the Blackstart Station-specific Rate Payment that reflects a Blackstart Station's capital Blackstart Equipment costs associated with the provision of Blackstart Service (excluding the capital costs associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Block is defined as follows: (1) With respect to Bilateral Contracts, a Bilateral Contract administered by the ISO for an hour; (2) with respect to Supply Offers administered by the ISO, a quantity with a related price for Energy (Supply Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (3) with respect to Demand Bids administered by the ISO, a quantity with a related price for Energy (Demand Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (4) with respect to Increment Offers administered by the ISO, a quantity with a related price for Energy (Increment Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (5) with respect to Decrement Bids administered by the ISO, a quantity with a related price for Energy (Decrement Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (6) with respect to Asset Related Demand bids administered by the ISO, a quantity with a related price for Energy (Asset Related Demand bids may contain multiple sets of quantity and price pairs for each hour); and (7) with respect to Demand Reduction Offers administered by the ISO, a quantity of reduced demand with a related price (Demand Reduction Offers may contain multiple sets of quantity and price pairs for the day).

Block-Hours are the number of Blocks administered for a particular hour.

Budget and Finance Subcommittee is a subcommittee of the Participants Committee, the responsibilities of which are specified in Section 8.4 of the Participants Agreement.

Business Day is any day other than a Saturday or Sunday or ISO holidays as posted by the ISO on its website.

Cancelled Start NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Capability Demonstration Year is the one year period from September 1 through August 31.

Capacity Acquiring Resource is a resource that is seeking to acquire a Capacity Supply Obligation through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1, or; (2) an annual or monthly reconfiguration auction, as described in Section III.13.4.

Capacity Balancing Ratio is a ratio used in calculating the Capacity Performance Payment in the Forward Capacity Market, as described in Section III.13.7.2.3 of Market Rule 1.

Capacity Base Payment is the portion of revenue received in the Forward Capacity Market as described in Section III.13.7.1 of Market Rule 1.

Capacity Capability Interconnection Standard has the meaning specified in Schedule 22, Schedule 23, and Schedule 25 of the OATT.

Capacity Clearing Price is the clearing price for a Capacity Zone for a Capacity Commitment Period resulting from the Forward Capacity Auction conducted for that Capacity Commitment Period, as determined in accordance with Section III.13.2.7 of Market Rule 1.

Capacity Commitment Period is the one-year period from June 1 through May 31 for which obligations are assumed and payments are made in the Forward Capacity Market.

Capacity Cost (CC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Capacity Export Through Import Constrained Zone Transaction is defined in Section III.1.10.7(f)(i) of Market Rule 1.

Capacity Load Obligation is the quantity of capacity for which a Market Participant is financially responsible as described in Section III.13.7.5.2 of Market Rule 1.

Capacity Load Obligation Acquiring Participant is a load serving entity or any other Market Participant seeking to acquire a Capacity Load Obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 of Market Rule 1.

Capacity Network Import Capability (CNI Capability) is as defined in Section I of Schedule 25 of the OATT.

Capacity Network Import Interconnection Service (CNI Interconnection Service) is as defined in Section I of Schedule 25 of the OATT.

Capacity Load Obligation Bilateral is a bilateral contract through which a Market Participant may transfer all or a portion of its Capacity Load Obligation to another entity, as described in Section III.13.5 of Market Rule 1.

Capacity Load Obligation Transferring Participant is an entity that has a Capacity Load Obligation and is seeking to shed such obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 of Market Rule 1.

Capacity Network Resource (CNR) is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Capacity Network Resource Interconnection Service (CNR Interconnection Service) is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Capacity Performance Bilateral is a transaction for transferring Capacity Performance Score, as described in Section III.13.5.3 of Market Rule 1.

Capacity Performance Payment is the performance-dependent portion of revenue received in the Forward Capacity Market, as described in Section III.13.7.2 of Market Rule 1.

Capacity Performance Payment Rate is a rate used in calculating Capacity Performance Payments, as described in Section III.13.7.2.5 of Market Rule 1.

Capacity Performance Score is a figure used in determining Capacity Performance Payments, as described in Section III.13.7.2.4 of Market Rule 1.

Capacity Rationing Rule addresses whether offers and bids in a Forward Capacity Auction may be rationed, as described in Section III.13.2.6 of Market Rule 1.

Capacity Scarcity Condition is a period during which performance is measured in the Forward Capacity Market, as described in Section III.13.7.2.1 of Market Rule 1.

Capacity Supply Obligation is an obligation to provide capacity from a resource, or a portion thereof, to satisfy a portion of the Installed Capacity Requirement that is acquired through a Forward Capacity Auction in accordance with Section III.13.2, a reconfiguration auction in accordance with Section III.13.4, or a Capacity Supply Obligation Bilateral in accordance with Section III.13.5.1 of Market Rule 1.

Capacity Supply Obligation Bilateral is a bilateral contract through which a Market Participant may transfer all or a part of its Capacity Supply Obligation to another entity, as described in Section III.13.5.1 of Market Rule 1.

Capacity Transfer Rights (CTRs) are calculated in accordance with Section III.13.7.5.4.

Capacity Transferring Resource is a resource that has a Capacity Supply Obligation and is seeking to shed such obligation, or a portion thereof, through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1, or; (2) an annual or monthly reconfiguration auction, as described in Section III.13.4.

Capacity Zone is a geographic sub-region of the New England Control Area as determined in accordance with Section III.12.4 of Market Rule 1.

Capacity Zone Demand Curves are the demand curves used in the Forward Capacity Market for a Capacity Zone as specified in Sections III.13.2.2.2 and III.13.2.2.3.

Capital Funding Charge (CFC) is defined in Section IV.B.2 of the Tariff.

CARL Data is Control Area reliability data submitted to the ISO to permit an assessment of the ability of an external Control Area to provide energy to the New England Control Area in support of capacity offered to the New England Control Area by that external Control Area.

Category B Designated Blackstart Resource has the same meaning as Designated Blackstart Resource.

Charge is a sum of money due from a Covered Entity to the ISO, either in its individual capacity or as billing and collection agent for NEPOOL pursuant to the Participants Agreement.

CLAIM10 is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

CLAIM30 is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

Claimed Capability Audit is performed to determine the real power output capability of a Generator Asset, the demand reduction capability of a Demand Response Resource, or the demand reduction capability and energy injection capability of a Demand Response Distributed Energy Resource Aggregation.

Cluster has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Cluster Enabling Transmission Upgrade (CETU) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Enabling Transmission Upgrade Regional Planning Study (CRPS) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Entry Deadline has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Interconnection System Impact Study (CSIS) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Request Window has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Cluster Restudy has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Cluster Study has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

CNR Capability is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Coincident Peak Contribution is a Market Participant's share of the New England Control Area coincident peak demand for the prior calendar year as determined prior to the start of each Capacity Commitment Period, which reflects the sum of the prior year's annual coincident peak contributions of the customers served by the Market Participant at each Load Asset. Daily Coincident Peak Contribution values shall be submitted by the Assigned Meter Reader or Host Participant by the meter reading deadline to the ISO.

Commercial Capacity is capacity that has achieved FCM Commercial Operation.

Commission is the Federal Energy Regulatory Commission.

Commitment Period is (i) for a Day-Ahead Energy Market commitment, a period of one or more contiguous hours for which a Resource is cleared in the Day-Ahead Energy Market, and (ii) for a Real-Time Energy Market commitment, the period of time for which the ISO indicates the Resource is being committed when it issues the Dispatch Instruction. If the ISO does not indicate the period of time for which the Resource is being committed in the Real-Time Energy Market, then the Commitment Period is the Minimum Run Time for an offline Resource and one hour for an online Resource.

Common Costs are those costs associated with a Station that are avoided only by the clearing of the Static De-List Bids, the Permanent De-List Bids, or the Retirement De-List Bids of all the Existing Generating Capacity Resources comprising the Station.

Completed Application is an Application that satisfies all of the information and other requirements of the OATT, including any required deposit.

Compliance Effective Date is the date upon which the changes in the predecessor NEPOOL Open Access Transmission Tariff which have been reflected herein to comply with the Commission's Order of April 20, 1998 became effective.

Composite FCM Transaction is a transaction for separate resources seeking to participate as a single composite resource in a Forward Capacity Auction in which multiple Designated FCM Participants provide capacity, as described in Section III.13.1.5 of Market Rule 1.

Confidential Information is defined in Section 2.1 of the ISO New England Information Policy, which is Attachment D to the Tariff.

Confidentiality Agreement is Attachment 1 to the ISO New England Billing Policy.

Congestion is a condition of the New England Transmission System in which transmission limitations prevent unconstrained regional economic dispatch of the power system. Congestion is the condition that results in the Congestion Component of the Locational Marginal Price at one Location being different from the Congestion Component of the Locational Marginal Price at another Location during any given hour of the dispatch day in the Day-Ahead Energy Market or Real-Time Energy Market.

Congestion Component is the component of the nodal price that reflects the marginal cost of congestion at a given Node or External Node relative to the reference point. When used in connection with Zonal Price and Hub Price, the term Congestion Component refers to the Congestion Components of the nodal prices that comprise the Zonal Price and Hub Price weighted and averaged in the same way that nodal prices are weighted to determine Zonal Price and averaged to determine the Hub Price.

Congestion Cost is the cost of congestion as measured by the difference between the Congestion Components of the Locational Marginal Prices at different Locations and/or Reliability Regions on the New England Transmission System.

Congestion Paying LSE is, for the purpose of the allocation of FTR Auction Revenues to ARR Holders as provided for in Appendix C of Market Rule 1, a Market Participant or Non-Market Participant Transmission Customer that is responsible for paying for Congestion Costs as a Transmission Customer paying for Regional Network Service under the Transmission, Markets and Services Tariff, unless such Transmission Customer has transferred its obligation to supply load in accordance with ISO New England System Rules, in which case the Congestion Paying LSE shall be the Market Participant supplying the transferred load obligation. The term Congestion Paying LSE shall be deemed to include, but not be

limited to, the seller of internal bilateral transactions that transfer Real-Time Load Obligations under the ISO New England System Rules.

Congestion Revenue Fund is the amount available for payment of target allocations to FTR Holders from the collection of Congestion Cost.

Congestion Shortfall means congestion payments exceed congestion charges during the billing process in any billing period.

Continuous Storage ATRR is an ATRR that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage DARD is a DARD that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage Generator Asset is a Generator Asset that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage Facility is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Control Agreement is the document posted on the ISO website that is required if a Market Participant's cash collateral is to be invested in BlackRock funds.

Control Area is an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice and the criteria of the applicable regional reliability council or the North American Electric Reliability Corporation; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Controllable Behind-the-Meter Generation means generation whose output can be controlled located at the same facility as a DARD or a Demand Response Asset, excluding: (1) generators whose output is separately metered and reported and (2) generators that cannot operate electrically synchronized to, and that are operated only when the facility loses its supply of power from, the New England Transmission System, or when undergoing related testing.

Coordinated External Transaction is an External Transaction at an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented. A transaction to wheel energy into, out of or through the New England Control Area is not a Coordinated External Transaction.

Coordinated Transaction Scheduling means the enhanced scheduling procedures set forth in Section III.1.10.7.A.

Correction Limit means the date that is one hundred and one (101) calendar days from the last Operating Day of the month to which the data applied. As described in Section III.3.6.1 of Market Rule 1, this will be the period during which meter data corrections must be submitted unless they qualify for submission as a Requested Billing Adjustment under Section III.3.7 of Market Rule 1.

Cost of Energy Consumed (CEC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Cost of Energy Produced (CEP) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Cost of New Entry (CONE) is the estimated cost of new entry (\$/kW-month) for a capacity resource that is determined by the ISO for each Forward Capacity Auction pursuant to Section III.13.2.4.

Counterparty means the status in which the ISO acts as the contracting party, in its name and own right and not as an agent, to an agreement or transaction with a Customer (including assignments involving Customers) involving sale to the ISO, and/or purchase from the ISO, of Regional Transmission Service and market and other products and services, and other transactions and assignments involving Customers, all as described in the Tariff.

Covered Entity is defined in the ISO New England Billing Policy.

Credit Coverage is third-party credit protection obtained by the ISO in the form of credit insurance coverage.

Credit Qualifying means a Rated Market Participant that has an Investment Grade Rating and an Unrated Market Participant that satisfies the Credit Threshold.

Credit Threshold consists of the conditions for Unrated Market Participants outlined in Section II.B.2 of the ISO New England Financial Assurance Policy.

Critical Energy Infrastructure Information (CEII) is defined in Section 3.0(j) of the ISO New England Information Policy, which is Attachment D to the Tariff.

Current Ratio is, on any date, all of a Market Participant's or Non-Market Participant Transmission Customer's current assets divided by all of its current liabilities, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Curtailement is a reduction in the dispatch of a transaction that was scheduled, using transmission service, in response to a transfer capability shortage as a result of system reliability conditions.

Customer is a Market Participant, a Transmission Customer or another customer of the ISO.

Cyber Security Exigency is a suspicious or malicious electronic act or event that compromises or attempts to compromise, or disrupts or attempts to disrupt, the ongoing operation of the ISO, the New England Markets, or reliability within the New England Control Area or other electrical facilities directly or indirectly connected to the New England Transmission System and (i) whose severity or nature

reasonably requires that the ISO obtain expert assistance not normally called upon to counter such an electronic act or resolve such an event or (ii) whose nature requires the ISO to report such an electronic act or event pursuant to NERC Critical Infrastructure Protection Reliability Standards or applicable regulations promulgated by the Department of Homeland Security, the Department of Energy, or a federal agency with similar cybersecurity responsibilities (or any of their respective successor organizations or agencies).

Storage as Transmission-Only Asset (SATO) is electric storage equipment that: (1) is connected to or to be connected to Pool Transmission Facilities in the New England Transmission System at a voltage level of 115 kV or higher; (2) the ISO approved to be included in the Regional System Plan and RSP Project List as a regulated transmission solution and Pool Transmission Facility pursuant to the regional system planning processes in Attachment K of the OATT; and (3) is capable of receiving energy only from the Pool Transmission Facilities and storing the energy for later injection to the Pool Transmission Facilities.

Data Reconciliation Process means the process by which meter reconciliation and data corrections that are discovered by Governance Participants after the Invoice has been issued for a particular month or that are discovered prior to the issuance of the Invoice for the relevant month but not included in that Invoice or in the other Invoices for that month and are reconciled by the ISO on an hourly basis based on data submitted to the ISO by the Host Participant Assigned Meter Reader or Assigned Meter Reader.

Day-Ahead is the calendar day immediately preceding the Operating Day.

Day-Ahead Adjusted Load Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Congestion Revenue is defined in Section III.3.2.1(i) of Market Rule 1.

Day-Ahead Demand Reduction Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Energy Market means the schedule of commitments for the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, payment for losses developed by the ISO as a result of the offers and specifications submitted in accordance with Section III.1.10 of Market Rule 1.

Day-Ahead Energy Market Congestion Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market Energy Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market Loss Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead External Transaction Export and Decrement Bid NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead External Transaction Import and Increment Offer NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead Generation Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Load Obligation is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Locational Adjusted Net Interchange is defined in Section III.3.2.1(a) of Market Rule 1.

Day-Ahead Loss Charges or Credits is defined in Section III.3.2.1(k) of Market Rule 1.

Day-Ahead Loss Revenue is defined in Section III.3.2.1(j) of Market Rule 1.

Day-Ahead Prices means the Locational Marginal Prices resulting from the Day-Ahead Energy Market.

DDP Dispatchable Resource is any Dispatchable Resource that the ISO dispatches using Desired Dispatch Points in the Resource's Dispatch Instructions.

Debt-to-Total Capitalization Ratio is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's total debt (including all current borrowings) divided by its total shareholders'

equity plus total debt, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Decrement Bid means a bid to purchase energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical load. An accepted Decrement Bid results in scheduled load at the specified Location in the Day-Ahead Energy Market.

Default Amount is all or any part of any amount due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due (other than in the case of a payment dispute for any amount due for transmission service under the OATT).

Default Period is defined in Section 3.3.h(i) of the ISO New England Billing Policy.

Delivering Party is the entity supplying capacity and/or energy to be transmitted at Point(s) of Receipt under the OATT.

Demand Bid means a request to purchase an amount of energy, at a specified Location, or an amount of energy at a specified price, that is associated with a physical load. A cleared Demand Bid in the Day-Ahead Energy Market results in scheduled load at the specified Location. Demand Bids submitted for use in the Real-Time Energy Market are specific to Dispatchable Asset Related Demands only.

Demand Bid Block-Hours are the Block-Hours assigned to the submitting Customer for each Demand Bid.

Demand Bid Cap is \$2,000/MWh.

Demand Capacity Resource means an Existing Demand Capacity Resource or a New Demand Capacity Resource. There are three Demand Capacity Resource types: Active Demand Capacity Resources, On-Peak Demand Resources, and Seasonal Peak Demand Resources.

Demand Designated Entity is the entity designated by a Market Participant to receive Dispatch Instructions for Demand Response Resources in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

Demand Reduction Offer is an offer by a Market Participant with a Demand Response Resource to reduce demand.

Demand Reduction Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Demand Reduction Offer. Blocks of the Demand Reduction Offer in effect for each hour will be totaled to determine the quantity of Demand Reduction Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of “unavailable” for the entire day, that day will not contribute to the quantity of Demand Reduction Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of “available,” the entire day will contribute to the quantity of Demand Reduction Offer Block-Hours.

Demand Reduction Threshold Price is a minimum offer price calculated pursuant to Section III.1.10.1A(f).

Demand Resource On-Peak Hours are hours ending 1400 through 1700, Monday through Friday on non-Demand Response Holidays during the months of June, July, and August and hours ending 1800 through 1900, Monday through Friday on non-Demand Response Holidays during the months of December and January.

Demand Resource Seasonal Peak Hours are those hours in which the actual, real-time hourly load, as measured using real-time telemetry (adjusted for transmission and distribution losses, and excluding load associated with Exports and Storage DARDs) for Monday through Friday on non-Demand Response Holidays, during the months of June, July, August, December, and January, as determined by the ISO, is equal to or greater than 90% of the most recent 50/50 system peak load forecast, as determined by the ISO, for the applicable summer or winter season.

Demand Response Asset is an asset comprising the demand reduction capability of an individual end-use customer at a Retail Delivery Point or the aggregated demand reduction capability of multiple end-use customers from multiple delivery points (as described in Section III.8.1.1(f)) that has been registered in accordance with III.8.1.1.

Demand Response Available is the capability of the Demand Response Resource, in whole or in part, at any given time, to reduce demand in response to a Dispatch Instruction.

Demand Response Baseline is the expected baseline demand of an individual end-use metered customer or group of end-use metered customers as determined pursuant to Section III.8.2.

Demand Response Holiday is New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a Saturday, the holiday will be observed on the preceding Friday; if the holiday falls on a Sunday, the holiday will be observed on the following Monday.

Demand Response Distributed Energy Resource Aggregation (DRDERA) is a type of Distributed Energy Resource Aggregation that is described in additional detail in Section III.6.5.

Demand Response Resource is an individual Demand Response Asset or aggregation of Demand Response Assets within a DRR Aggregation Zone that has been registered in accordance with Section III.8.1.2.

Demand Response Resource Notification Time is the period of time between the receipt of a startup Dispatch Instruction and the time the Demand Response Resource starts reducing demand.

Demand Response Resource Ramp Rate is the average rate, expressed in MW per minute, at which the Demand Response Resource can reduce demand.

Demand Response Resource Start-Up Time is the period of time between the time a Demand Response Resource starts reducing demand at the conclusion of the Demand Response Resource Notification Time and the time the resource can reach its Minimum Reduction and be ready for further dispatch by the ISO.

Designated Agent is any entity that performs actions or functions required under the OATT on behalf of the ISO, a Transmission Owner, a Schedule 20A Service Provider, an Eligible Customer, or a Transmission Customer.

Designated Blackstart Resource is a resource that meets the eligibility requirements specified in Schedule 16 of the OATT, which includes any resource referred to previously as a Category B Designated Blackstart Resource.

Designated Entity is the entity designated by a Market Participant to receive Dispatch Instructions for a Generator Asset and/or Dispatchable Asset Related Demand in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

Designated FCM Participant is any Lead Market Participant, including any Provisional Member that is a Lead Market Participant, transacting in any Forward Capacity Auction, reconfiguration auctions or Capacity Supply Obligation Bilateral for capacity that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

Designated FTR Participant is a Market Participant, including FTR-Only Customers, transacting in the FTR Auction that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

Desired Dispatch Point (DDP) means the control signal, expressed in megawatts, transmitted to direct the output, consumption, or demand reduction level of each Generator Asset, Dispatchable Asset Related Demand, or Demand Response Resource dispatched by the ISO in accordance with the asset's Offer Data.

Direct Assignment Facilities are facilities or portions of facilities that are constructed for the sole use/benefit of a particular Transmission Customer requesting service under the OATT or a Generator Owner requesting an interconnection. Direct Assignment Facilities shall be specified in a separate agreement among the ISO, Interconnection Customer and Transmission Customer, as applicable, and the Transmission Owner whose transmission system is to be modified to include and/or interconnect with the Direct Assignment Facilities, shall be subject to applicable Commission requirements, and shall be paid for by the Customer in accordance with the applicable agreement and the Tariff.

Directly Metered Assets are specifically measured by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP-18. Directly Metered Assets include all Tie-Line Assets, all Generator Assets, as well as some Load Assets. Load Assets for which the Host Participant is not the Assigned Meter Reader are considered Directly Metered Assets. In addition, the Host Participant Assigned Meter Reader determines which additional Load Assets are considered Directly Metered Assets and which ones are considered Profiled Load Assets based upon the Host Participant Assigned Meter Reader reporting systems and process by which the Host Participant Assigned Meter Reader allocates non-PTF losses.

Disbursement Agreement is the Rate Design and Funds Disbursement Agreement among the PTOs, as amended and restated from time to time.

Dispatch Instruction means directions given by the ISO to Market Participants, which may include instructions to start up, shut down, raise or lower generation, curtail or restore loads from Demand Response Resources, change External Transactions, or change the status or consumption of a Dispatchable Asset Related Demand in accordance with the Supply Offer, Demand Bid, or Demand Reduction Offer parameters. Such instructions may also require a change to the operation of a Pool Transmission Facility. Such instructions are given through either electronic or verbal means.

Dispatch Zone means a subset of Nodes located within a Load Zone established by the ISO for each Capacity Commitment Period pursuant to Section III.12.4A.

Dispatchable Asset Related Demand (DARD) is an Asset Related Demand that is capable of having its energy consumption modified in Real-Time in response to Dispatch Instructions. A DARD must be capable of receiving and responding to electronic Dispatch Instructions, must be able to increase or decrease energy consumption between its Minimum Consumption Limit and Maximum Consumption Limit in accordance with Dispatch Instructions, and must meet the technical requirements specified in the ISO New England Operating Procedures and Manuals.

Dispatchable Resource is any Generator Asset, Dispatchable Asset Related Demand, Demand Response Resource, or, with respect to the Regulation Market only, Alternative Technology Regulation Resource, that, during the course of normal operation, is capable of receiving and responding to electronic Dispatch Instructions in accordance with the parameters contained in the Resource's Supply Offer, Demand Bid, Demand Reduction Offer or Regulation Service Offer. A Resource that is normally classified as a Dispatchable Resource remains a Dispatchable Resource when it is temporarily not capable of receiving and responding to electronic Dispatch Instructions.

Dispute Representatives are defined in 6.5.c of the ISO New England Billing Policy.

Disputed Amount is a Covered Entity's disputed amount due on any fully paid monthly Invoice and/or any amount believed to be due or owed on a Remittance Advice, as defined in Section 6 of the ISO New England Billing Policy.

Disputing Party, for the purposes of the ISO New England Billing Policy, is any Covered Entity seeking to recover a Disputed Amount.

Distributed Energy Capacity Resource (DECR) means an Existing Distributed Energy Capacity Resource or a New Distributed Energy Capacity Resource.

Distributed Energy Resource (DER) is any resource located on the distribution system, any subsystem thereof or behind a customer meter that is capable of providing energy injection, energy withdrawal, regulation, or demand reduction.

Distributed Energy Resource Aggregation (DERA) is an aggregation of Distributed Energy Resources that is registered under Section III.6.7 and is described in additional detail in Section III.6.

Distributed Energy Resource Aggregator (DER Aggregator) is a Market Participant that aggregates one or more Distributed Energy Resources for participation in a Distributed Energy Resource Aggregation and serves as the Lead Market Participant for a Distributed Energy Resource Aggregation.

Distributed Generation means generation directly connected to end-use customer load and located behind the end-use customer's Retail Delivery Point that reduces the amount of energy that would otherwise have been produced on the electricity network in the New England Control Area, provided that the facility's Net Supply Capability is (i) less than 5 MW or (ii) less than or equal to the Maximum Facility Load, whichever is greater.

DRR Aggregation Zone is a Dispatch Zone entirely within a single Reserve Zone or Rest of System or, where a Dispatch Zone is not entirely within a single Reserve Zone or Rest of System, each portion of the Dispatch Zone demarcated by the Reserve Zone boundary.

Do Not Exceed (DNE) Dispatchable Generator is any Generator Asset that is dispatched using Do Not Exceed Dispatch Points in its Dispatch Instructions and meets the criteria specified in Section III.1.11.3(e). Do Not Exceed Dispatchable Generators are Dispatchable Resources.

Do Not Exceed Dispatch Point is a Dispatch Instruction indicating a maximum output level that a DNE Dispatchable Generator must not exceed.

Dynamic De-List Bid is a bid that may be submitted by Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources, and Existing Distributed Energy Capacity Resources in the Forward Capacity Auction below the Dynamic De-List Bid Threshold, as described in Section III.13.2.3.2(d) of Market Rule 1.

Dynamic De-List Bid Threshold is the price specified in Section III.13.1.2.3.1.A of Market Rule 1 associated with the submission of Dynamic De-List Bids in the Forward Capacity Auction.

EA Amount is defined in Section IV.B.2.2 of the Tariff.

Early Amortization Charge (EAC) is defined in Section IV.B.2 of the Tariff.

Early Amortization Working Capital Charge (EAWCC) is defined in Section IV.B.2 of the Tariff.

Early Payment Shortfall Funding Amount (EPSF Amount) is defined in Section IV.B.2.4 of the Tariff.

Early Payment Shortfall Funding Charge (EPSFC) is defined in Section IV.B.2 of the Tariff.

EAWW Amount is defined in Section IV.B.2.3 of the Tariff.

EBITDA-to-Interest Expense Ratio is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's earnings before interest, taxes, depreciation and amortization in the most recent fiscal quarter divided by that Market Participant's or Non-Market Participant Transmission Customer's expense for interest in that fiscal quarter, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Economic Dispatch Point is the output, reduction, or consumption level to which a Resource would have been dispatched, based on the Resource's Supply Offer, Demand Reduction Offer, or Demand Bid and the Real-Time Price, and taking account of any operating limits, had the ISO not dispatched the Resource to another Desired Dispatch Point.

Economic Maximum Limit or Economic Max is the maximum available output, in MW, of a Generator Asset that a Market Participant offers to supply in the Day-Ahead Energy Market or Real-Time Energy

Market, as reflected in the Generator Asset's Offer Data. This represents the highest MW output a Market Participant has offered for a Generator Asset for economic dispatch. A Market Participant must maintain an up-to-date Economic Maximum Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Economic Maximum Limit) for all hours in which a Generator Asset has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

Economic Minimum Limit or Economic Min is (a) for a Generator Asset with an incremental heat rate, the maximum of: (i) the lowest sustainable output level as specified by physical design characteristics, environmental regulations or licensing limits; and (ii) the lowest sustainable output level at which a one MW increment increase in the output level would not decrease the incremental cost, calculated based on the incremental heat rate, of providing an additional MW of output, and (b) for a Generator Asset without an incremental heat rate, the lowest sustainable output level that is consistent with the physical design characteristics of the Generator Asset and with meeting all environmental regulations and licensing limits, and (c) for a Generator Asset undergoing Facility and Equipment Testing or auditing, the level to which the Generator Asset requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing, and (d) for Non-Dispatchable Resources the output level at which a Market Participant anticipates its Non-Dispatchable Resource will be available to operate based on fuel limitations, physical design characteristics, environmental regulations or licensing limits.

Economic Study or Economic Studies are studies described in Section 17 of Attachment K to the OATT that are used to examine situations where potential regulated transmission solutions, market responses, or investments could result in (i) a net reduction in total production cost to supply system load based on the factors specified in Attachment N of the OATT, (ii) reduced congestion, or (iii) the integration of new resources or loads, or both, on an aggregate or regional basis.

Effective Offer is the Supply Offer, Demand Reduction Offer, or Demand Bid that is used for NCPC calculation purposes as specified in Section III.F.1(a).

EFT is electronic funds transfer.

Elective Transmission Upgrade is defined in Section I of Schedule 25 of the OATT.

Elective Transmission Upgrade Interconnection Customer is defined in Schedule 25 of the OATT.

Electric Reliability Organization (ERO) is defined in 18 C.F.R. § 39.1.

Electric Storage Facility is a storage facility that participates in the New England Markets as described in Section III.1.10.6 of Market Rule 1.

Eligible Customer is: (i) Any entity that is engaged, or proposes to engage, in the wholesale or retail electric power business is an Eligible Customer under the OATT. (ii) Any electric utility (including any power marketer), Federal power marketing agency, or any other entity generating electric energy for sale or for resale is an Eligible Customer under the OATT. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the unbundled transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer). (iii) Any end user taking or eligible to take unbundled transmission service or Local Delivery Service pursuant to a state requirement that the Transmission Owner with which that end user is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that end user is directly interconnected, or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) is an Eligible Customer under the OATT.

Eligible FTR Bidder is an entity that has satisfied applicable financial assurance criteria, and shall not include the auctioneer, its Affiliates, and their officers, directors, employees, consultants and other representatives.

Emergency is an abnormal system condition on the bulk power systems of New England or neighboring Control Areas requiring manual or automatic action to maintain system frequency, or to prevent the involuntary loss of load, equipment damage, or tripping of system elements that could adversely affect the

reliability of an electric system or the safety of persons or property; or a fuel shortage requiring departure from normal operating procedures in order to minimize the use of such scarce fuel; or a condition that requires implementation of Emergency procedures as defined in the ISO New England Manuals.

Emergency Condition means an Emergency has been declared by the ISO in accordance with the procedures set forth in the ISO New England Manuals and ISO New England Administrative Procedures.

Emergency Energy is energy transferred from one control area operator to another in an Emergency.

Emergency Minimum Limit or Emergency Min means the minimum output, in MWs, that a Generator Asset can deliver for a limited period of time without exceeding specified limits of equipment stability and operating permits.

EMS is energy management system.

End-of-Round Price is the lowest price associated with a round of a Forward Capacity Auction, as described in Section III.13.2.3.1 of Market Rule 1.

End User Participant is defined in Section 1 of the Participants Agreement.

Energy is power produced in the form of electricity, measured in kilowatthours or megawatthours.

Energy Administration Service (EAS) is the service provided by the ISO, as described in Schedule 2 of Section IV.A of the Tariff.

Energy Component means the Locational Marginal Price at the reference point.

Energy Efficiency is installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy needed, while delivering a comparable or improved level of end-use service. Such measures include, but are not limited to, the installation of more energy efficient lighting, motors, refrigeration, HVAC equipment and control systems, envelope measures, operations and maintenance procedures, and industrial process equipment.

Energy Imbalance Service is the form of Ancillary Service described in Schedule 4 of the OATT.

Energy Market is, collectively, the Day-Ahead Energy Market and the Real-Time Energy Market.

Energy Non-Zero Spot Market Settlement Hours are the sum of the hours for which the Customer has a positive or negative Real-Time System Adjusted Net Interchange or for which the Customer has a positive or negative Real-Time Demand Reduction Obligation as determined by the ISO settlement process for the Energy Market.

Energy Offer Floor is negative \$150/MWh.

Energy Transaction Units (Energy TUs) are the sum for the month for a Customer of Bilateral Contract Block-Hours, Demand Bid Block-Hours, Asset Related Demand Bid Block-Hours, Supply Offer Block-Hours, Demand Reduction Offer Block-Hours, and Energy Non-Zero Spot Market Settlement Hours.

Equipment Damage Reimbursement is the compensation paid to the owner of a Designated Blackstart Resource as specified in Section 5.5 of Schedule 16 to the OATT.

Equivalent Demand Forced Outage Rate (EFORD) means the portion of time a unit is in demand, but is unavailable due to forced outages.

Estimated Capacity Load Obligation is, for the purposes of the ISO New England Financial Assurance Policy, a Market Participant's share of Zonal Capacity Obligation from the latest available month, adjusted as appropriate to account for any relevant Capacity Load Obligation Bilaterals, HQICCs, and Self-Supplied FCA Resource designations for the applicable month.

Establish Claimed Capability Audit is the audit performed pursuant to Section III.1.5.1.2.

Excepted Transaction is a transaction specified in Section II.40 of the Tariff for the applicable period specified in that Section.

Existing Capacity Qualification Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

Existing Capacity Qualification Package is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

Existing Capacity Resource is any resource that does not meet any of the eligibility criteria to participate in the Forward Capacity Auction as a New Capacity Resource.

Existing Capacity Retirement Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

Existing Capacity Retirement Package is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

Existing Demand Capacity Resource is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.2 of Market Rule 1.

Existing Distributed Energy Capacity Resource is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.2 of Market Rule 1.

Existing Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.2.1 of Market Rule 1.

Existing Import Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.1 of Market Rule 1.

Expedited Study Request is defined in Section II.34.7 of the OATT.

Export-Adjusted LSR is as defined in Section III.12.4(b)(ii).

Export Bid is a bid that may be submitted by certain resources in the Forward Capacity Auction to export capacity to an external Control Area, as described in Section III.13.1.2.3.1.3 of Market Rule 1.

Exports are Real-Time External Transactions, which are limited to sales from the New England Control Area, for exporting energy out of the New England Control Area.

External Elective Transmission Upgrade (External ETU) is defined in Section I of Schedule 25 of the OATT.

External Market Monitor means the person or entity appointed by the ISO Board of Directors pursuant to Section III.A.1.2 of Appendix A of Market Rule 1 to carry out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

External Node is a proxy bus or buses used for establishing a Locational Marginal Price for energy received by Market Participants from, or delivered by Market Participants to, a neighboring Control Area or for establishing Locational Marginal Prices associated with energy delivered through the New England Control Area by Non-Market Participants for use in calculating Non-Market Participant Congestion Costs and loss costs.

External Resource means a generation resource located outside the metered boundaries of the New England Control Area.

External Transaction is the import of external energy into the New England Control Area by a Market Participant or the export of internal energy out of the New England Control Area by a Market Participant in the Day-Ahead Energy Market and/or Real-Time Energy Market, or the wheeling of external energy through the New England Control Area by a Market Participant or a Non-Market Participant in the Real-Time Energy Market.

External Transaction Cap is \$2,000/MWh for External Transactions other than Coordinated External Transactions and \$1,000/MWh for Coordinated External Transactions.

External Transaction Floor is the Energy Offer Floor for External Transactions other than Coordinated External Transactions and negative \$1,000/MWh for Coordinated External Transactions.

External Transmission Project is a transmission project comprising facilities located wholly outside the New England Control Area and regarding which an agreement has been reached whereby New England ratepayers will support all or a portion of the cost of the facilities.

Facilities Study is an engineering study conducted pursuant to the OATT by the ISO (or, in the case of Local Service or interconnections to Local Area Facilities as defined in the TOA, by one or more affected PTOs) or some other entity designated by the ISO in consultation with any affected Transmission Owner(s), to determine the required modifications to the PTF and Non-PTF, including the cost and scheduled completion date for such modifications, that will be required to provide a requested transmission service or interconnection on the PTF and Non-PTF.

Facility and Equipment Testing means operation of a Resource to evaluate the functionality of the facility or equipment utilized in the operation of the facility.

Failure to Maintain Blackstart Capability is a failure of a Blackstart Owner or Designated Blackstart Resource to meet the Blackstart Service Minimum Criteria or Blackstart Service obligations, but does not include a Failure to Perform During a System Restoration event.

Failure to Perform During a System Restoration is a failure of a Blackstart Owner or Designated Blackstart Resource to follow ISO or Local Control Center dispatch instructions or perform in accordance with the dispatch instructions or the Blackstart Service Minimum Criteria and Blackstart Service obligations, described within the ISO New England Operating Documents, during a restoration of the New England Transmission System.

Fast Start Demand Response Resource is a Demand Response Resource that meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; (ii) Minimum Time Between Reductions does not exceed one hour; (iii) Demand Response Resource Start-Up Time plus Demand Response Resource Notification Time does not exceed 30 minutes; (iv) has personnel available to respond to Dispatch Instructions or has automatic remote response capability; and (v) is capable of receiving and acknowledging a Dispatch Instruction electronically.

Fast Start Generator means a Generator Asset that the ISO can dispatch to an on-line or off-line state through electronic dispatch and that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes; (iv) available for dispatch (when it is either in an on-line or off-line state) and manned or has automatic remote dispatch capability; and (v) capable of receiving and acknowledging a start-up or shut-down Dispatch Instruction electronically.

FCA Cleared Export Transaction is defined in Section III.1.10.7(f)(ii) of Market Rule 1.

FCA Qualified Capacity is the Qualified Capacity that is used in a Forward Capacity Auction.

FCM Capacity Charge Requirements are calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

FCM Charge Rate is calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

FCM Commercial Operation is defined in Section III.13.3.8 of Market Rule 1.

FCM Deposit is calculated in accordance with Section VII.B.1 of the ISO New England Financial Assurance Policy.

FCM Financial Assurance Requirements are described in Section VII of the ISO New England Financial Assurance Policy.

Final Forward Reserve Obligation is calculated in accordance with Section III.9.8(a) of Market Rule 1.

Financial Assurance Default results from a Market Participant or Non-Market Participant Transmission Customer's failure to comply with the ISO New England Financial Assurance Policy.

Financial Assurance Obligations relative to the ISO New England Financial Assurance Policy are determined in accordance with Section III.A(v) of the ISO New England Financial Assurance Policy.

Financial Transmission Right (FTR) is a financial instrument that evidences the rights and obligations specified in Sections III.5.2.2 and III.7 of the Tariff.

Firm Point-To-Point Service is service which is arranged for and administered between specified Points of Receipt and Delivery in accordance with Part II.C of the OATT.

Firm Transmission Service is Regional Network Service, Through or Out Service, service for Excepted Transactions, firm MTF Service, firm OTF Service, and firm Local Service.

Flexible DNE Dispatchable Generator is any DNE Dispatchable Generator that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; and (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes.

Force Majeure - An event of Force Majeure means any act of God, labor disturbance, act of the public enemy or terrorists, war, invasion, insurrection, riot, fire, storm or flood, ice, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond the control of the ISO, a Transmission Owner, a Schedule 20A Service Provider, or a Customer, including without limitation, in the case of the ISO, any action or inaction by a Customer, a Schedule 20A Service Provider, or a Transmission Owner, in the case of a Transmission Owner, any action or inaction by the ISO, any Customer, a Schedule 20A Service Provider, or any other Transmission Owner, in the case of a Schedule 20A Service Provider, any action or inaction by the ISO, any Customer, a Transmission Owner, or any other Schedule 20A Service Provider, and, in the case of a Transmission Customer, any action or inaction by the ISO, a Schedule 20A Service Provider, or any Transmission Owner.

Forward Capacity Auction (FCA) is the annual Forward Capacity Market auction process described in Section III.13.2 of Market Rule 1.

Forward Capacity Auction Starting Price is calculated in accordance with Section III.13.2.4 of Market Rule 1.

Forward Capacity Market (FCM) is the forward market for procuring capacity in the New England Control Area, as described in Section III.13 of Market Rule 1.

Forward Energy Inventory Election is the total MWh value for which a Market Participant elects to be compensated at the forward rate in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

Forward LNG Inventory Election is the portion of a Market Participant's Forward Energy Inventory Election attributed to liquefied natural gas in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

Forward Reserve means TMNSR and TMOR purchased by the ISO on a forward basis on behalf of Market Participants as provided for in Section III.9 of Market Rule 1.

Forward Reserve Assigned Megawatts is the amount of Forward Reserve, in megawatts, that a Market Participant assigns to eligible Forward Reserve Resources to meet its Forward Reserve Obligation as defined in Section III.9.4.1 of Market Rule 1.

Forward Reserve Auction is the periodic auction conducted by the ISO in accordance with Section III.9 of Market Rule 1 to procure Forward Reserve.

Forward Reserve Auction Offers are offers to provide Forward Reserve to meet system and Reserve Zone requirements as submitted by a Market Participant in accordance with Section III.9.3 of Market Rule 1.

Forward Reserve Charge is a Market Participant's share of applicable system and Reserve Zone Forward Reserve costs attributable to meeting the Forward Reserve requirement as calculated in accordance with Section III.9.9 of Market Rule 1.

Forward Reserve Clearing Price is the clearing price for TMNSR or TMOR, as applicable, for the system and each Reserve Zone resulting from the Forward Reserve Auction as defined in Section III.9.4 of Market Rule 1.

Forward Reserve Credit is the credit received by a Market Participant that is associated with that Market Participant's Final Forward Reserve Obligation as calculated in accordance with Section III.9.8 of Market Rule 1.

Forward Reserve Delivered Megawatts are calculated in accordance with Section III.9.6.5 of Market Rule 1.

Forward Reserve Delivery Period is defined in Section III.9.1 of Market Rule 1.

Forward Reserve Failure-to-Activate Megawatts are calculated in accordance with Section III.9.7.2(a) of Market Rule 1.

Forward Reserve Failure-to-Activate Penalty is the penalty associated with a Market Participant's failure to activate Forward Reserve when requested to do so by the ISO and is defined in Section III.9.7.2 of Market Rule 1.

Forward Reserve Failure-to-Activate Penalty Rate is specified in Section III.9.7.2 of Market Rule 1.

Forward Reserve Failure-to-Reserve, as specified in Section III.9.7.1 of Market Rule 1, occurs when a Market Participant's Forward Reserve Delivered Megawatts for a Reserve Zone in an hour is less than that Market Participant's Forward Reserve Obligation for that Reserve Zone in that hour. Under these circumstances the Market Participant pays a penalty based upon the Forward Reserve Failure-to-Reserve Penalty Rate and that Market Participant's Forward Reserve Failure-to-Reserve Megawatts.

Forward Reserve Failure-to-Reserve Megawatts are calculated in accordance with Section III.9.7.1(a) of Market Rule 1.

Forward Reserve Failure-to-Reserve Penalty is the penalty associated with a Market Participant's failure to reserve Forward Reserve and is defined in Section III.9.7.1 of Market Rule 1.

Forward Reserve Failure-to-Reserve Penalty Rate is specified in Section III.9.7.1(b)(ii) of Market Rule 1.

Forward Reserve Fuel Index is the index or set of indices used to calculate the Forward Reserve Threshold Price as defined in Section III.9.6.2 of Market Rule 1.

Forward Reserve Heat Rate is the heat rate as defined in Section III.9.6.2 of Market Rule 1 that is used to calculate the Forward Reserve Threshold Price.

Forward Reserve Market is a market for forward procurement of two reserve products, Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

Forward Reserve MWs are those megawatts assigned to specific eligible Forward Reserve Resources which convert a Forward Reserve Obligation into a Resource-specific obligation.

Forward Reserve Obligation is a Market Participant's amount, in megawatts, of Forward Reserve that cleared in the Forward Reserve Auction and adjusted, as applicable, to account for bilateral transactions that transfer Forward Reserve Obligations.

Forward Reserve Obligation Charge is defined in Section III.10.4 of Market Rule 1.

Forward Reserve Offer Cap is \$7,100/megawatt-month.

Forward Reserve Payment Rate is defined in Section III.9.8 of Market Rule 1.

Forward Reserve Procurement Period is defined in Section III.9.1 of Market Rule 1.

Forward Reserve Qualifying Megawatts refer to all or a portion of a Forward Reserve Resource's capability offered into the Real-Time Energy Market at energy offer prices above the applicable Forward Reserve Threshold Price that are calculated in accordance with Section III.9.6.4 of Market Rule 1.

Forward Reserve Resource is a Resource that meets the eligibility requirements defined in Section III.9.5.2 of Market Rule 1 that has been assigned Forward Reserve Obligation by a Market Participant.

Forward Reserve Threshold Price is the minimum price at which assigned Forward Reserve Megawatts are required to be offered into the Real-Time Energy Market as calculated in Section III.9.6.2 of Market Rule 1.

FTR Auction is the periodic auction of FTRs conducted by the ISO in accordance with Section III.7 of Market Rule 1.

FTR Auction Revenue is the revenue collected from the sale of FTRs in FTR Auctions. FTR Auction Revenue is payable to FTR Holders who submit their FTRs for sale in the FTR Auction in accordance with Section III.7 of Market Rule 1 and to ARR Holders and Incremental ARR Holders in accordance with Appendix C of Market Rule 1.

FTR Credit Test Percentage is calculated in accordance with Section III.B.1(b) of the ISO New England Financial Assurance Policy.

FTR Financial Assurance Requirements are described in Section VI of the ISO New England Financial Assurance Policy.

FTR Holder is an entity that acquires an FTR through the FTR Auction to Section III.7 of Market Rule 1 and registers with the ISO as the holder of the FTR in accordance with Section III.7 of Market Rule 1 and applicable ISO New England Manuals.

FTR-Only Customer is a Market Participant that transacts in the FTR Auction and that does not participate in other markets or programs of the New England Markets. References in this Tariff to a “Non-Market Participant FTR Customers” and similar phrases shall be deemed references to an FTR-Only Customer.

FTR Settlement Risk Financial Assurance is an amount of financial assurance required by a Designated FTR Participant for each bid submission into an FTR Auction and for each bid awarded to the individual participant in an FTR Auction. This amount is calculated pursuant to Section VI.A of the ISO New England Financial Assurance Policy.

GADS Data means data submitted to the NERC for collection into the NERC’s Generating Availability Data System (GADS).

Gap Request for Proposals (Gap RFP) is defined in Section III.11 of Market Rule 1.

Gas Day means a period of 24 consecutive hours beginning at 0900 hrs Central Time.

Generating Capacity Resource means a New Generating Capacity Resource or an Existing Generating Capacity Resource.

Generator Asset is a device (or a collection of devices) that is capable of injecting real power onto the grid that has been registered as a Generator Asset in accordance with the Asset Registration Process.

Generator Imbalance Service is the form of Ancillary Service described in Schedule 10 of the OATT.

Generator Interconnection Related Upgrade is an addition to or modification of the New England Transmission System (pursuant to Section II.47.1, Schedule 22 or Schedule 23 of the OATT) to effect the

interconnection of a new generating unit or an existing generating unit whose energy capability or capacity capability is being materially changed and increased whether or not the interconnection is being effected to meet the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard. As to Category A Projects (as defined in Schedule 11 of the OATT), a Generator Interconnection Related Upgrade also includes an upgrade beyond that required to satisfy the Network Capability Interconnection Standard (or its predecessor) for which the Generator Owner has committed to pay prior to October 29, 1998.

Generator Owner is the owner, in whole or part, of a generating unit whether located within or outside the New England Control Area.

Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

Governance Only Member is defined in Section 1 of the Participants Agreement.

Governance Participant is defined in the Participants Agreement.

Governing Documents, for the purposes of the ISO New England Billing Policy, are the Transmission, Markets and Services Tariff and ISO Participants Agreement.

Governing Rating is the lowest corporate rating from any Rating Agency for that Market Participant, or, if the Market Participant has no corporate rating, then the lowest rating from any Rating Agency for that Market Participant's senior unsecured debt.

Grandfathered Agreements (GAs) is a transaction specified in Section II.45 for the applicable period specified in that Section.

Grandfathered Intertie Agreement (GIA) is defined pursuant to the TOA.

Handy-Whitman Index of Public Utility Construction Costs is the Total Other Production Plant index shown in the Cost Trends of Electric Utility Construction for the North Atlantic Region as published in the Handy-Whitman Index of Public Utility Construction Costs.

Highgate Transmission Facilities (HTF) are existing U. S.-based transmission facilities covered under the Agreement for Joint Ownership, Construction and Operation of the Highgate Transmission Interconnection dated as of August 1, 1984 including (1) the whole of a 200 megawatt high-voltage, back-to-back, direct-current converter facility located in Highgate, Vermont and (2) a 345 kilovolt transmission line within Highgate and Franklin, Vermont (which connects the converter facility at the U.S.-Canadian border to a Hydro-Quebec 120 kilovolt line in Bedford, Quebec). The HTF include any upgrades associated with increasing the capacity or changing the physical characteristics of these facilities as defined in the above stated agreement dated August 1, 1984 until the Operations Date, as defined in the TOA. The current HTF rating is a nominal 225 MW. The HTF are not defined as PTF. Coincident with the Operations Date and except as stipulated in Schedules, 9, 12, and Attachment F to the OATT, HTF shall be treated in the same manner as PTF for purposes of the OATT and all references to PTF in the OATT shall be deemed to apply to HTF as well. The treatment of the HTF is not intended to establish any binding precedent or presumption with regard to the treatment for other transmission facilities within the New England Transmission System (including HVDC, MTF, or Control Area Interties) for purposes of the OATT.

Host Participant or Host Utility is a Market Participant or a Governance Participant transmission or distribution provider that reconciles the loads within the metering domain with OP-18 compliant metering.

Hourly Charges are defined in Section 1.3 of the ISO New England Billing Policy.

Hourly Requirements are determined in accordance with Section III.A(i) of the ISO New England Financial Assurance Policy.

Hourly Shortfall NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Hub is a specific set of pre-defined Nodes for which a Locational Marginal Price will be calculated for the Day-Ahead Energy Market and Real-Time Energy Market and which can be used to establish a reference price for energy purchases and the transfer of Day-Ahead Adjusted Load Obligations and Real-Time Adjusted Load Obligations and for the designation of FTRs.

Hub Price is calculated in accordance with Section III.2.8 of Market Rule 1.

HQ Interconnection Capability Credit (HQICC) is a monthly value reflective of the annual installed capacity benefits of the Phase I/II HVDC-TF, as determined by the ISO, using a standard methodology on file with the Commission, in conjunction with the setting of the Installed Capacity Requirement. An appropriate share of the HQICC shall be assigned to an IRH if the Phase I/II HVDC-TF support costs are paid by that IRH and such costs are not included in the calculation of the Regional Network Service rate. The share of HQICC allocated to such an eligible IRH for a month is the sum in kilowatts of (1)(a) the IRH's percentage share, if any, of the Phase I Transfer Capability times (b) the Phase I Transfer Credit, plus (2)(a) the IRH's percentage share, if any, of the Phase II Transfer Capability, times (b) the Phase II Transfer Credit. The ISO shall establish appropriate HQICCs to apply for an IRH which has such a percentage share.

Import Capacity Resource means an Existing Import Capacity Resource or a New Import Capacity Resource offered to provide capacity in the New England Control Area from an external Control Area.

Inadvertent Energy Revenue is defined in Section III.3.2.1(o) of Market Rule 1.

Inadvertent Energy Revenue Charges or Credits is defined in Section III.3.2.1(p) of Market Rule 1.

Inadvertent Interchange means the difference between net actual energy flow and net scheduled energy flow into or out of the New England Control Area.

Increment Offer means an offer to sell energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical supply. An accepted Increment Offer results in scheduled supply at the specified Location in the Day-Ahead Energy Market.

Incremental ARR is an ARR provided in recognition of a participant-funded transmission system upgrade pursuant to Appendix C of this Market Rule.

Incremental ARR Holder is an entity which is the record holder of an Incremental Auction Revenue Right in the register maintained by the ISO.

Incremental Cost of Reliability Service is described in Section III.13.2.5.2.5.2 of Market Rule 1.

Independent Transmission Company (ITC) is a transmission entity that assumes certain responsibilities in accordance with Section 10.05 of the Transmission Operating Agreement and Attachment M to the OATT, subject to the acceptance or approval of the Commission and a finding of the Commission that the transmission entity satisfies applicable independence requirements.

Information Request is a request from a potential Disputing Party submitted in writing to the ISO for access to Confidential Information.

Initial Market Participant Financial Assurance Requirement is calculated for new Market Participants and Returning Market Participants, other than an FTR-Only Customer or a Governance Only Member, according to Section IV of the ISO New England Financial Assurance Policy.

Installed Capacity Requirement means the level of capacity required to meet the reliability requirements defined for the New England Control Area, as described in Section III.12 of Market Rule 1.

Interchange Transactions are transactions deemed to be effected under Market Rule 1.

Interconnecting Transmission Owner has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Interconnection Agreement is the “Large Generator Interconnection Agreement”, the “Small Generator Interconnection Agreement”, or the “Elective Transmission Upgrade Interconnection Agreement” pursuant to Schedules 22, 23 or 25 of the ISO OATT or an interconnection agreement approved by the Commission prior to the adoption of the Interconnection Procedures.

Interconnection Customer has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Interconnection Procedure is the “Large Generator Interconnection Procedures,” the “Small Generator Interconnection Procedures,” or the “Elective Transmission Upgrade Interconnection Procedures” pursuant to Schedules 22, 23, and 25 of the ISO OATT.

Interconnection Reliability Operating Limit (IROL) has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

Interconnection Request has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, or Section I of Schedule 25 of the OATT.

Interconnection Rights Holder(s) (IRH) has the meaning given to it in Schedule 20A to Section II of this Tariff.

Interest is interest calculated in the manner specified in Section II.8.3.

Interface Bid is a unified real-time bid to simultaneously purchase and sell energy on each side of an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented.

Intermittent Power Resource is a wind, solar, run of river hydro or other renewable resource or an aggregation of wind, solar, run of river hydro and other renewable resources that does not have control over its net power output.

Internal Bilateral for Load is an internal bilateral transaction under which the buyer receives a reduction in Real-Time Load Obligation and the seller receives a corresponding increase in Real-Time Load Obligation in the amount of the sale, in MWs. An Internal Bilateral for Load transaction is only applicable in the Real-Time Energy Market.

Internal Bilateral for Market for Energy is an internal bilateral transaction for Energy which applies in the Day-Ahead Energy Market and Real-Time Energy Market or just the Real-Time Energy Market under which the buyer receives a reduction in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation and the seller receives a corresponding increase in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation in the amount of the sale, in MWs.

Internal Elective Transmission Upgrade (Internal ETU) is defined in Section I of Schedule 25 of the OATT.

Internal Market Monitor means the department of the ISO responsible for carrying out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

Interregional Planning Stakeholder Advisory Committee (IPSAC) is the committee described as such in the Northeast Planning Protocol.

Interregional Transmission Project is a transmission project located within the New England Control Area and one or more of the neighboring transmission planning regions.

Interruption Cost is the amount, in dollars, that must be paid to a Market Participant each time the Market Participant's Demand Response Resource is scheduled or dispatched in the New England Markets to reduce demand.

Inventoried Energy Day is an Operating Day that occurs in the months of December, January, or February during the winters of 2023-2024 and 2024-2025 (inventoried energy program) and for which the average of the high temperature and the low temperature on that Operating Day, as measured and reported by the National Weather Service at Bradley International Airport in Windsor Locks, Connecticut, is less than or equal to 17 degrees Fahrenheit, as described in Section III.K.3.1 of Market Rule 1.

Investment Grade Rating, for a Market (other than an FTR-Only Customer) or Non-Market Participant Transmission Customer, is either (a) a corporate investment grade rating from one or more of the Rating Agencies, or (b) if the Market Participant or Non-Market Participant Transmission Customer does not have a corporate rating from one of the Rating Agencies, then an investment grade rating for the Market Participant's or Non-Market Participant Transmission Customer's senior unsecured debt from one or more of the Rating Agencies.

Invoice is a statement issued by the ISO for the net Charge owed by a Covered Entity pursuant to the ISO New England Billing Policy.

Invoice Date is the day on which the ISO issues an Invoice.

ISO means ISO New England Inc.

ISO Charges, for the purposes of the ISO New England Billing Policy, are both Non-Hourly Charges and Hourly Charges.

ISO Control Center is the primary control center established by the ISO for the exercise of its Operating Authority and the performance of functions as an RTO.

ISO-Initiated Claimed Capability Audit is the audit performed pursuant to Section III.1.5.1.4.

ISO New England Administrative Procedures means procedures adopted by the ISO to fulfill its responsibilities to apply and implement ISO New England System Rules.

ISO New England Billing Policy is Exhibit ID to Section I of the Transmission, Markets and Services Tariff.

ISO New England Filed Documents means the Transmission, Markets and Services Tariff, including but not limited to Market Rule 1, the Participants Agreement, the Transmission Operating Agreement or other documents that affect the rates, terms and conditions of service.

ISO New England Financial Assurance Policy is Exhibit IA to Section I of the Transmission, Markets and Services Tariff.

ISO New England Information Policy is the policy establishing guidelines regarding the information received, created and distributed by Market Participants and the ISO in connection with the settlement, operation and planning of the System, as the same may be amended from time to time in accordance with the provisions of this Tariff. The ISO New England Information Policy is Attachment D to the Transmission, Markets and Services Tariff.

ISO New England Manuals are the manuals implementing Market Rule 1, as amended from time to time in accordance with the Participants Agreement. Any elements of the ISO New England Manuals that substantially affect rates, terms, and/or conditions of service shall be filed with the Commission under Section 205 of the Federal Power Act.

ISO New England Operating Documents are the Tariff and the ISO New England Operating Procedures.

ISO New England Operating Procedures (OPs) are the ISO New England Planning Procedures and the operating guides, manuals, procedures and protocols developed and utilized by the ISO for operating the ISO bulk power system and the New England Markets.

ISO New England Planning Procedures are the procedures developed and utilized by the ISO for planning the ISO bulk power system.

ISO New England System Rules are Market Rule 1, the ISO New England Information Policy, the ISO New England Administrative Procedures, the ISO New England Manuals and any other system rules, procedures or criteria for the operation of the New England Transmission System and administration of the New England Markets and the Transmission, Markets and Services Tariff.

ITC Agreement is defined in Attachment M to the OATT.

ITC Rate Schedule is defined in Section 3.1 of Attachment M to the OATT.

ITC System is defined in Section 2.2 of Attachment M to the OATT.

ITC System Planning Procedures is defined in Section 15.4 of Attachment M to the OATT.

Joint ISO/RTO Planning Committee (JIPC) is the committee described as such in the Northeastern Planning Protocol.

Late Payment Account is a segregated interest-bearing account into which the ISO deposits Late Payment Charges due from ISO Charges and interest owed from participants for late payments that are collected and not distributed to the Covered Entities, until the Late Payment Account Limit is reached, under the ISO New England Billing Policy and penalties collected under the ISO New England Financial Assurance Policy.

Late Payment Account Limit is defined in Section 4.2 of the ISO New England Billing Policy.

Late Payment Charge is defined in Section 4.1 of the ISO New England Billing Policy.

Lead Market Participant, for purposes other than the Forward Capacity Market, is the entity authorized to submit Supply Offers, Demand Bids, Demand Reduction Offers or Baseline Deviation Offers for a Resource and to whom certain Energy TUs are assessed under Schedule 2 of Section IV.A of the Tariff. For purposes of the Forward Capacity Market, the Lead Market Participant is the entity designated to participate in that market on behalf of an Existing Capacity Resource or a New Capacity Resource.

Limited Energy Resource means a Generator Asset that, due to design considerations, environmental restriction on operations, cyclical requirements, such as the need to recharge or refill or manage water flow, or fuel limitations, are unable to operate continuously at full output on a daily basis.

Load Asset means a physical load that has been registered in accordance with the Asset Registration Process. A Load Asset can be an Asset Related Demand, including a Dispatchable Asset Related Demand.

Load Management means measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that curtail electrical usage or shift electrical usage while delivering a comparable or acceptable level of end-use service. Such measures include, but are not limited to, energy management systems, load control end-use cycling, load curtailment strategies, and energy storage that curtails or shifts electrical usage by means other than generating electricity.

Load Shedding is the systematic reduction of system demand by temporarily decreasing load.

Load-Side Relationship Certification is a certification described in Section III.A.21.1.3 that a Project Sponsor submits as part of the New Capacity Qualification Package, New Demand Capacity Resource Qualification Package, or New Distributed Energy Capacity Resource Qualification Package to demonstrate that the New Capacity Resource should not be subject to buyer-side market power review.

Load Zone is a Reliability Region, except as otherwise provided for in Section III.2.7 of Market Rule 1.

Local Area Facilities are defined in the TOA.

Local Benefit Upgrade(s) (LBU) is an upgrade, modification or addition to the transmission system that is: (i) rated below 115kV or (ii) rated 115kV or above and does not meet all of the non-voltage criteria for PTF classification specified in the OATT.

Local Control Centers are those control centers in existence as of the effective date of the OATT (including the CONVEX, REMVEC, Maine and New Hampshire control centers) or established by the PTOs in accordance with the TOA that are separate from the ISO Control Center and perform certain functions in accordance with the OATT and the TOA.

Local Delivery Service is the service of delivering electric energy to end users. This service is subject to state jurisdiction regardless of whether such service is provided over local distribution or transmission facilities. An entity that is an Eligible Customer under the OATT is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the Participating Transmission Owner and/or distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs and benefits.

Local Longer-Term Transmission Upgrade is any addition, modification, and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Longer-Term Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Section 16 of Attachment K to the OATT.

Local Network is defined as the transmission facilities constituting a local network as identified in Attachment E, as such Attachment may be modified from time to time in accordance with the Transmission Operating Agreement.

Local Network Load is the load that a Network Customer designates for Local Network Service under Schedule 21 to the OATT.

Local Network RNS Rate is the rate applicable to Regional Network Service to effect a delivery to load in a particular Local Network, as determined in accordance with Schedule 9 to the OATT.

Local Network Service (LNS) is the network service provided under Schedule 21 and the Local Service Schedules to permit the Transmission Customer to efficiently and economically utilize its resources to serve its load.

Local Point-To-Point Service (LPTP) is Point-to-Point Service provided under Schedule 21 of the OATT and the Local Service Schedules to permit deliveries to or from an interconnection point on the PTF.

Local Public Policy Transmission Upgrade is any addition and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Public Policy Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Attachment K to the ISO OATT or included in a Local System Plan in accordance with Appendix 1 to Attachment K.

Local Resource Adequacy Requirement is calculated pursuant to Section III.12.2.1.1.

Local Second Contingency Protection Resources are those Resources identified by the ISO on a daily basis as necessary for the provision of Operating Reserve requirements and adherence to NERC, NPCC and ISO reliability criteria over and above those Resources required to meet first contingency reliability criteria within a Reliability Region.

Local Service is transmission service provided under Schedule 21 and the Local Service Schedules thereto.

Local Service Schedule is a PTO-specific schedule to the OATT setting forth the rates, charges, terms and conditions applicable to Local Service.

Local Sourcing Requirement (LSR) is a value calculated as described in Section III.12.2.1 of Market Rule 1.

Local System Planning (LSP) is the process defined in Appendix 1 of Attachment K to the OATT.

Localized Costs are costs that the ISO, with advisory input from the Reliability Committee, determines in accordance with Schedule 12C of the OATT shall not be included in the Pool-Supported PTF costs recoverable under this OATT, or in costs allocated to Regional Network Load according to Section 6 and Section 10 of Schedule 12. If there are any Localized Costs, the ISO shall identify them in the Regional System Plan.

Location is a Node, External Node, Load Zone, DRR Aggregation Zone, or Hub.

Locational Marginal Price (LMP) is defined in Section III.2 of Market Rule 1. The Locational Marginal Price for a Node is the nodal price at that Node; the Locational Marginal Price for an External Node is the nodal price at that External Node; the Locational Marginal Price for a Load Zone, DRR Aggregation Zone or Reliability Region is the Zonal Price for that Load Zone, DRR Aggregation Zone or Reliability Region, respectively; and the Locational Marginal Price for a Hub is the Hub Price for that Hub.

Long-Term is a term of one year or more.

Long-Term Transmission Outage is a long-term transmission outage scheduled in accordance with ISO New England Operating Procedure No. 3.

Longer-Term Proposal is a proposal submitted by a Qualified Transmission Project Sponsor pursuant to Section 16.4(b) of Attachment K to the OATT.

Longer-Term Transmission Solution is the Longer-Term Proposal identified as the preferred solution pursuant to Section 16 of Attachment K to the OATT.

Longer-Term Transmission Study is a study conducted by the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT. The 2050 Transmission Study shall be the first Longer-Term Transmission Study.

Longer-Term Transmission Upgrade is an addition, modification, and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Longer-Term Transmission Upgrade PTF classification specified in the OATT and has been included in the Regional System Plan and RSP Project List as a Longer-Term Transmission Upgrade pursuant to the procedures described in Section 16 of Attachment K of the OATT.

Loss Component is the component of the nodal LMP at a given Node or External Node on the PTF that reflects the cost of losses at that Node or External Node relative to the reference point. The Loss

Component of the nodal LMP at a given Node on the non-PTF system reflects the relative cost of losses at that Node adjusted as required to account for losses on the non-PTF system already accounted for through tariffs associated with the non-PTF. When used in connection with Hub Price or Zonal Price, the term Loss Component refers to the Loss Components of the nodal LMPs that comprise the Hub Price or Zonal Price, which Loss Components are averaged or weighted in the same way that nodal LMPs are averaged to determine Hub Price or weighted to determine Zonal Price.

Loss of Load Expectation (LOLE) is the probability of disconnecting non-interruptible customers due to a resource deficiency.

Lost Opportunity Cost (LOC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

LSE means load serving entity.

Lump Sum Blackstart Payment is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

Lump Sum Blackstart Capital Payment is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

Manual Response Rate is the rate, in MW/Minute, at which the output of a Generator Asset, or the consumption of a Dispatchable Asset Related Demand, is capable of changing.

Marginal Loss Revenue Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Marginal Reliability Impact is the change, with respect to an increment of capacity supply, in expected unserved energy due to resource deficiency, as measured in hours per year.

Market Credit Limit is a credit limit for a Market Participant's Financial Assurance Obligations (except FTR Financial Assurance Requirements) established for each Market Participant in accordance with Section II.C of the ISO New England Financial Assurance Policy.

Market Credit Test Percentage is calculated in accordance with Section III.B.1(a) of the ISO New England Financial Assurance Policy.

Market Efficiency Needs Scenario is an Economic Study reference scenario that is described in Section 17.2(b) of Attachment K to the OATT.

Market Efficiency Transmission Upgrade is defined as those additions and upgrades that are not related to the interconnection of a generator, and, in the ISO's determination, are designed to reduce bulk power system costs to load system-wide, where the net present value of the reduction in bulk power system costs to load system-wide exceeds the net present value of the cost of the transmission addition or upgrade. For purposes of this definition, the term "bulk power system costs to load system-wide" includes, but is not limited to, the costs of energy, capacity, reserves, losses and impacts on bilateral prices for electricity.

Market Participant is a participant in the New England Markets (including a FTR-Only Customer) that has executed a Market Participant Service Agreement, or on whose behalf an unexecuted Market Participant Service Agreement has been filed with the Commission.

Market Participant Financial Assurance Requirement is defined in Section III of the ISO New England Financial Assurance Policy.

Market Participant Service Agreement (MPSA) is an agreement between the ISO and a Market Participant, in the form specified in Attachment A or Attachment A-1 to the Tariff, as applicable.

Market Rule 1 is ISO Market Rule 1 and appendices set forth in Section III of this ISO New England Inc. Transmission, Markets and Services Tariff, as it may be amended from time to time.

Market Violation is a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies.

Material Adverse Change is any change in financial status including, but not limited to a downgrade to below an Investment Grade Rating by any Rating Agency, being placed on credit watch with negative implication by any Rating Agency if the Market Participant or Non-Market Participant Transmission

Customer does not have an Investment Grade Rating, a bankruptcy filing or other insolvency, a report of a significant quarterly loss or decline of earnings, the resignation of key officer(s), the sanctioning of the Market Participant or Non-Market Participant Transmission Customer or any of its Principles imposed by the Federal Energy Regulatory Commission, the Securities Exchange Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; the filing of a material lawsuit that could materially adversely impact current or future financial results; a significant change in the Market Participant's or Non-Market Participant Transmission Customer's credit default spreads; or a significant change in market capitalization.

Material Adverse Impact is defined, for purposes of review of ITC-proposed plans, as a proposed facility or project will be deemed to cause a "material adverse impact" on facilities outside of the ITC System if: (i) the proposed facility or project causes non-ITC facilities to exceed their capabilities or exceed their thermal, voltage or stability limits, consistent with all applicable reliability criteria, or (ii) the proposed facility or project would not satisfy the standards set forth in Section I.3.9 of the Transmission, Markets and Services Tariff. This standard is intended to assure the continued service of all non-ITC firm load customers and the ability of the non-ITC systems to meet outstanding transmission service obligations.

Maximum Capacity Limit is a value calculated as described in Section III.12.2.2 of Market Rule 1.

Maximum Consumption Limit is the maximum amount, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's Offer Data. A Market Participant must maintain an up-to-date Maximum Consumption Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Maximum Consumption Limit) for all hours in which a DARD has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

Maximum Daily Energy Limit is the maximum amount of megawatt-hours that a Limited Energy Resource expects to be able to generate in the next Operating Day.

Maximum Daily Consumption Limit is the maximum amount of megawatt-hours that a Storage DARD expects to be able to consume in the next Operating Day.

Maximum Facility Load is the highest demand of an end-use customer facility since the start of the prior calendar year (or, if unavailable, an estimate thereof), where the demand evaluated is established by adding metered demand measured at the Retail Delivery Point and the output of all generators located behind the Retail Delivery Point in the same time intervals.

Maximum Interruptible Capacity is an estimate of the maximum demand reduction and Net Supply that a Demand Response Asset can deliver, as measured at the Retail Delivery Point.

Maximum Load is the highest demand since the start of the prior calendar year (or, if unavailable, an estimate thereof), as measured at the Retail Delivery Point.

Maximum Number of Daily Starts is the maximum number of times that a Binary Storage DARD or a Generator Asset can be started or that a Demand Response Resource can be interrupted in the next Operating Day under normal operating conditions.

Maximum Reduction is the maximum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer.

Measure Life is the estimated time an On-Peak Demand Resource or Seasonal Peak Demand Resource measure will remain in place, or the estimated time period over which the facility, structure, equipment or system in which a measure is installed continues to exist, whichever is shorter. Suppliers of On-Peak Demand Resources or Seasonal Peak Demand Resources comprised of an aggregation of measures with varied Measures Lives shall determine and document the Measure Life either: (i) for each type of measure with a different Measure Life and adjust the aggregate performance based on the individual measure life calculation in the portfolio; or (ii) as the average Measure Life for the aggregated measures as long as the demand reduction capability of the resource is greater than or equal to the amount that cleared in the Forward Capacity Auction or reconfiguration auction for the entire Capacity Commitment Period, and the demand reduction capability for an Existing On-Peak Demand Resource or Existing Seasonal Peak Demand Resource is not over-stated in a subsequent Capacity Commitment Period. Measure Life shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements of Market Rule 1 and the ISO New England Manuals.

Measurement and Verification Documents mean the measurement and verification documents described in Section 13.1.4.3.1 of Market Rule 1 that are submitted by On-Peak Demand Resources and Seasonal Peak Demand Resources, which include Measurement and Verification Plans, Updated Measurement and Verification Plans, Measurement and Verification Summary Reports, and Measurement and Verification Reference Reports.

Measurement and Verification Plan means the measurement and verification plan submitted by an On-Peak Demand Resource or Seasonal Peak Demand Resource as part of the qualification process for the Forward Capacity Auction pursuant to the requirements of Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

Measurement and Verification Reference Reports are optional reports submitted by On-Peak Demand Resources or Seasonal Peak Demand Resources during the Capacity Commitment Period subject to the schedule in the Measurement and Verification Plan and consistent with the schedule and reporting standards set forth in the ISO New England Manuals. Measurement and Verification Reference Reports update the prospective demand reduction capability of the On-Peak Demand Resource or Seasonal Peak Demand Resource project based on measurement and verification studies performed during the Capacity Commitment Period.

Measurement and Verification Summary Report is the monthly report submitted by an On-Peak Demand Resource or Seasonal Peak Demand Resource with the monthly settlement report for the Forward Capacity Market, which documents the total demand reduction capability for all On-Peak Demand Resources and Seasonal Peak Demand Resources in operation as of the end of the previous month.

MEPCO Grandfathered Transmission Service Agreement (MG TSA) is a MEPCO long-term firm point-to-point transmission service agreement with a POR or POD at the New Brunswick border and a start date prior to June 1, 2007 where the holder has elected, by written notice delivered to MEPCO within five (5) days following the filing of the settlement agreement in Docket Nos. ER07-1289 and EL08-56 or by September 1, 2008 (whichever is later), MG TSA treatment as further described in Section II.45.1.

Merchant Transmission Facilities (MTF) are the transmission facilities owned by MTOs, defined and classified as MTF pursuant to Schedule 18 of the OATT, over which the ISO shall exercise Operating

Authority in accordance with the terms set forth in a MTOA or Attachment K to the OATT, rated 69 kV or above and required to allow energy from significant power sources to move freely on the New England Transmission System.

Merchant Transmission Facilities Provider (MTF Provider) is an entity as defined in Schedule 18 of the OATT.

Merchant Transmission Facilities Service (MTF Service) is transmission service over MTF as provided for in Schedule 18 of the OATT.

Merchant Transmission Operating Agreement (MTOA) is an agreement between the ISO and an MTO with respect to its MTF.

Merchant Transmission Owner (MTO) is an owner of MTF.

Meter Data Error means an error in meter data, including an error in Coincident Peak Contribution values, on an Invoice issued by the ISO after the completion of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.8 of Market Rule 1.

Meter Data Error RBA Submission Limit means the date thirty 30 calendar days after the issuance of the Invoice containing the results of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.6 of Market Rule 1.

Metered Quantity For Settlement is defined in Section III.3.2.1.1 of Market Rule 1.

Minimum Consumption Limit is (a) the lowest consumption level, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's Offer Data, and (b) for a DARD undergoing Facility and Equipment Testing or auditing, the level to which the DARD requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing.

Minimum Down Time is the number of hours that must elapse after a Generator Asset or Storage DARD has been released for shutdown at or below its Economic Minimum Limit or Minimum Consumption

Limit before the Generator Asset or Storage DARD can be brought online and be released for dispatch at its Economic Minimum Limit or Minimum Consumption Limit.

Minimum Generation Emergency means an Emergency declared by the ISO in which the ISO anticipates requesting one or more Generator Assets to operate at or below Economic Minimum Limit in order to manage, alleviate, or end the Emergency.

Minimum Generation Emergency Credits are those Real-Time Dispatch NCPC Credits calculated pursuant to Appendix F of Market Rule 1 for resources within a reliability region that are dispatched during a period for which a Minimum Generation Emergency has been declared.

Minimum Reduction is the minimum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer.

Minimum Reduction Time is the minimum number of hours of demand reduction at or above the Minimum Reduction for which the ISO must dispatch a Demand Response Resource to reduce demand.

Minimum Run Time is the number of hours that a Generator Asset must remain online after it has been scheduled to reach its Economic Minimum Limit before it can be released for shutdown from its Economic Minimum Limit or the number of hours that must elapse after a Storage DARD has been scheduled to consume at its Minimum Consumption Limit before it can be released for shutdown.

Minimum Time Between Reductions is the number of hours that must elapse after a Demand Response Resource has received a Dispatch Instruction to stop reducing demand before the Demand Response Resource can achieve its Minimum Reduction after receiving a Dispatch Instruction to start reducing demand.

Minimum Total Reserve Requirement, which does not include Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Monthly Blackstart Service Charge is the charge made to Transmission Customers pursuant to Section 6 of Schedule 16 to the OATT.

Monthly Capacity Payment is the Forward Capacity Market payment described in Section III.13.7.3 of Market Rule 1.

Monthly Peak is defined in Section II.21.2 of the OATT.

Monthly Real-Time Demand Reduction Obligation is the absolute value of a Customer's hourly Real-Time Demand Reduction Obligation summed for all hours in a month, in MWhs.

Monthly Real-Time Generation Obligation is the sum, for all hours in a month, at all Locations, of a Customer's Real-Time Generation Obligation, in MWhs.

Monthly Real-Time Load Obligation is the absolute value of a Customer's hourly Real-Time Load Obligation summed for all hours in a month, in MWhs.

Monthly Regional Network Load is defined in Section II.21.2 of the OATT.

Monthly Statement is the first weekly Statement issued on a Monday after the ninth of a calendar month that includes both the Hourly Charges for the relevant billing period and Non-Hourly Charges for the immediately preceding calendar month.

MRI Transition Period is the period specified in Section III.13.2.2.1.

MUI is the market user interface.

Municipal Market Participant is defined in Section II of the ISO New England Financial Assurance Policy.

MW is megawatt.

MWh is megawatt-hour.

Native Load Customers are the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has

undertaken an obligation to construct and operate its system to meet the reliable electric needs of such customers.

NCPC Charge means the charges to Market Participants calculated pursuant to Appendix F to Market Rule 1.

NCPC Credit means the credits to Market Participants calculated pursuant to Appendix F to Market Rule 1.

Needs Assessment is defined in Section 4.1 of Attachment K to the OATT.

NEMA, for purposes of Section III of the Tariff, is the Northeast Massachusetts Reliability Region.

NEMA Contract is a contract described in Appendix C of Market Rule 1 and listed in Exhibit 1 of Appendix C of Market Rule 1.

NEMA Load Serving Entity (NEMA LSE) is a Transmission Customer or Congestion Paying LSE Entity that serves load within NEMA.

NEMA or Northeast Massachusetts Upgrade, for purposes of Section II of the Tariff, is an addition to or modification of the PTF into or within the Northeast Massachusetts Reliability Region that was not, as of December 31, 1999, the subject of a System Impact Study or application filed pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff; that is not related to generation interconnections; and that will be completed and placed in service by June 30, 2004. Such upgrades include, but are not limited to, new transmission facilities and related equipment and/or modifications to existing transmission facilities and related equipment. The list of NEMA Upgrades is contained in Schedule 12A of the OATT.

NEPOOL is the New England Power Pool, and the entities that collectively participated in the New England Power Pool.

NEPOOL Agreement is the agreement among the participants in NEPOOL.

NEPOOL GIS is the generation information system.

NEPOOL GIS Administrator is the entity or entities that develop, administer, operate and maintain the NEPOOL GIS.

NEPOOL GIS API Fees are the one-time on-boarding fees and annual maintenance fees charged to NEPOOL by the NEPOOL GIS Administrator for each NEPOOL Participant or Market Participant that accesses the NEPOOL GIS through an application programming interface pursuant to Rule 3.9(b) of the operating rules of the NEPOOL GIS.

NEPOOL Participant is a party to the NEPOOL Agreement.

NERC is the North American Electric Reliability Corporation or its successor organization.

NESCOE is the New England States Committee on Electricity, recognized by the Commission as the regional state committee for the New England Control Area.

Net Commitment Period Compensation (NCPC) is the compensation methodology for Resources that is described in Appendix F to Market Rule 1.

Net CONE is an estimate of the Cost of New Entry, net of non-capacity market revenues, for a reference technology resource type and is intended to equal the amount of capacity revenue the reference technology resource would require to be economically viable given reasonable expectations of the energy and ancillary services revenues under long-term equilibrium conditions.

Net Regional Clearing Price is described in Section III.13.7.5 of Market Rule 1.

Net Supply is energy injected into the transmission or distribution system at a Retail Delivery Point.

Net Supply Capability is the maximum Net Supply a facility is physically and contractually able to inject into the transmission or distribution system at its Retail Delivery Point.

Network Capability Interconnection Standard has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Network Customer is a Transmission Customer receiving RNS or LNS.

Network Import Capability (NI Capability) is defined in Section I of Schedule 25 of the OATT.

Network Import Interconnection Service (NI Interconnection Service) is defined in Section I of Schedule 25 of the OATT.

Network Resource is defined as follows: (1) With respect to Market Participants, (a) any generating resource located in the New England Control Area which has been placed in service prior to the Compliance Effective Date (including a unit that has lost its capacity value when its capacity value is restored and a deactivated unit which may be reactivated without satisfying the requirements of Section II.46 of the OATT in accordance with the provisions thereof) until retired; (b) any generating resource located in the New England Control Area which is placed in service after the Compliance Effective Date until retired, provided that (i) the Generator Owner has complied with the requirements of Sections II.46 and II.47 and Schedules 22 and 23 of the OATT, and (ii) the output of the unit shall be limited in accordance with Sections II.46 and II.47 and Schedules 22 and 23, if required; and (c) any generating resource or combination of resources (including bilateral purchases) located outside the New England Control Area for so long as any Market Participant has an Ownership Share in the resource or resources which is being delivered to it in the New England Control Area to serve Regional Network Load located in the New England Control Area or other designated Regional Network Loads contemplated by Section II.18.3 of the OATT taking Regional Network Service. (2) With respect to Non-Market Participant Transmission Customers, any generating resource owned, purchased or leased by the Non-Market Participant Transmission Customer which it designates to serve Regional Network Load.

Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

New Brunswick Security Energy is defined in Section III.3.2.6A of Market Rule 1.

New Capacity Offer is an offer in the Forward Capacity Auction to provide capacity from a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource.

New Capacity Qualification Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

New Capacity Qualification Package is information submitted by certain new resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

New Capacity Resource is a resource (i) that never previously received any payment as a capacity resource including any capacity payment pursuant to the market rules in effect prior to June 1, 2010 and that has not cleared in any previous Forward Capacity Auction; or (ii) that is otherwise eligible to participate in the Forward Capacity Auction as a New Capacity Resource.

New Capacity Show of Interest Form is described in Section III.13.1.1.2.1 of Market Rule 1.

New Capacity Show of Interest Submission Window is the period of time during which a Project Sponsor may submit a New Capacity Show of Interest Form, a New Demand Capacity Resource Show of Interest Form, or a New Distributed Energy Capacity Resource Show of Interest Form, as described in Section III.13.1.10 of Market Rule 1.

New Demand Capacity Resource is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.1 of Market Rule 1.

New Demand Capacity Resource Qualification Package is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource.

New Demand Capacity Resource Show of Interest Form is described in Section III.13.1.4.1.1.1 of Market Rule 1.

New Distributed Energy Capacity Resource is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.1 of Market Rule 1.

New Distributed Energy Capacity Resource Qualification Package is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4A.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource.

New Distributed Energy Capacity Resource Show of Interest Form is described in Section III.13.1.4A.1.1.1 of Market Rule 1.

New England Control Area is the Control Area for New England, which includes PTF, Non-PTF, MTF and OTF. The New England Control Area covers Connecticut, Rhode Island, Massachusetts, New Hampshire, Vermont, and part of Maine (i.e., excluding the portions of Northern Maine and the northern portion of Eastern Maine which are in the Maritimes Control Area).

New England Markets are markets or programs for the purchase of energy, capacity, ancillary services, demand response services or other related products or services (including Financial Transmission Rights) that are delivered through or useful to the operation of the New England Transmission System and that are administered by the ISO pursuant to rules, rates, or agreements on file from time to time with the Federal Energy Regulatory Commission.

New England System Restoration Plan is the plan that is developed by ISO, in accordance with NERC Reliability Standards, NPCC regional criteria and standards, ISO New England Operating Documents and ISO operating agreements, to facilitate the restoration of the New England Transmission System following a partial or complete shutdown of the New England Transmission System.

New England Transmission System is the system of transmission facilities, including PTF, Non-PTF, OTF and MTF, within the New England Control Area under the ISO's operational jurisdiction.

New Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as described in Section III.13.1.1.1 of Market Rule 1.

New Import Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.4 of Market Rule 1.

New Resource Offer Floor Price is defined in Section III.A.21.3.

NMPTC means Non-Market Participant Transmission Customer.

NMPTC Credit Threshold is described in Section V.A.2 of the ISO New England Financial Assurance Policy.

NMPTC Financial Assurance Requirement is an amount of additional financial assurance for Non-Market Participant Transmission Customers described in Section V.D of the ISO New England Financial Assurance Policy.

Node is a point on the New England Transmission System at which LMPs are calculated.

No-Load Fee is the amount, in dollars per hour, for a Generator Asset that must be paid to Market Participants with an Ownership Share in the Generator Asset for being scheduled in the New England Markets, in addition to the Start-Up Fee and price offered to supply energy, for each hour that the Generator Asset is scheduled in the New England Markets.

Nominated Consumption Limit is the consumption level specified by the Market Participant for a Dispatchable Asset Related Demand as adjusted in accordance with the provisions of Section III.13.7.5.1.3.

Non-Commercial Capacity is the capacity of a New Capacity Resource or an Existing Capacity Resource, or portion thereof, that has not achieved FCM Commercial Operation.

Non-Commercial Capacity Cure Period is the time period described in Section VII.D of the ISO New England Financial Assurance Policy.

Non-Commercial Capacity Financial Assurance Amount (Non-Commercial Capacity FA Amount) is the financial assurance amount held on Non-Commercial Capacity cleared in a Forward Capacity Auction as calculated in accordance with Section VII.B.2 of the ISO New England Financial Assurance Policy.

Non-Designated Blackstart Resource Study Cost Payments are the study costs reimbursed under Section 5.3 of Schedule 16 of the OATT.

Non-Dispatchable Resource is any Resource that does not meet the requirements to be a Dispatchable Resource.

Non-Hourly Charges are defined in Section 1.3 of the ISO New England Billing Policy.

Non-Hourly Requirements are determined in accordance with Section III.A(ii) of the ISO New England Financial Assurance Policy, which is Exhibit 1A of Section I of the Tariff.

Non-Incumbent Transmission Developer is a Qualified Transmission Project Sponsor that: (i) is not currently a PTO; (ii) has a transmission project listed in the RSP Project List; and (iii) has executed a Non-Incumbent Transmission Developer Operating Agreement. “Non-Incumbent Transmission Developer” also includes a PTO that proposes the development of a transmission facility not located within or connected to its existing electric system; however, because such a PTO is a party to the TOA, it is not required to enter into a Non-Incumbent Transmission Developer Operating Agreement.

Non-Incumbent Transmission Developer Operating Agreement (or NTDOA) is an agreement between the ISO and a Non-Incumbent Transmission Developer in the form specified in Attachment O to the OATT that sets forth their respective rights and responsibilities to each other with regard to proposals for and construction of certain transmission facilities.

Non-Market Participant is any entity that is not a Market Participant.

Non-Market Participant Transmission Customer is any entity which is not a Market Participant but is a Transmission Customer.

Non-Municipal Market Participant is defined in Section II of the ISO New England Financial Assurance Policy.

Non-PTF Transmission Facilities (Non-PTF) are the transmission facilities owned by the PTOs that do not constitute PTF, OTF or MTF.

Non-Qualifying means a Market Participant that is not a Credit Qualifying Market Participant.

Notice of RBA is defined in Section 6.3.2 of the ISO New England Billing Policy.

Notification Time is the time required for a Generator Asset to synchronize to the system from the time a startup Dispatch Instruction is received from the ISO.

Northeastern Planning Protocol is the Amended and Restated Northeastern ISO/RTO Planning Coordination Protocol on file with the Commission and posted on the ISO website at the following URL: www.iso-ne.com/static-assets/documents/2015/07/northeastern_protocol_dmeast.doc.

NPCC is the Northeast Power Coordinating Council.

Obligation Month means a time period of one calendar month for which capacity payments are issued and the costs associated with capacity payments are allocated.

Offer Data means the scheduling, operations planning, dispatch, new Resource, and other data, including Generator Asset, Dispatchable Asset Related Demand, and Demand Response Resource operating limits based on physical characteristics, and information necessary to schedule and dispatch Generator Assets, Dispatchable Asset Related Demands, and Demand Response Resources for the provision or consumption of energy, the provision of other services, and the maintenance of the reliability and security of the transmission system in the New England Control Area, and specified for submission to the New England Markets for such purposes by the ISO.

Offered CLAIM10 is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM10 of the resource that represents the amount of TMNSR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource that has not been dispatched.

Offered CLAIM30 is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM30 of the resource that represents the amount of TMOR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource that has not been dispatched.

On-Peak Demand Resource is a type of Demand Capacity Resource and means installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource On-Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

Open Access Same-Time Information System (OASIS) is the ISO information system and standards of conduct responding to requirements of 18 C.F.R. §37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

Open Access Transmission Tariff (OATT) is Section II of the ISO New England Inc. Transmission, Markets and Services Tariff.

Operating Authority is defined pursuant to a MTOA, an OTOA, the TOA or the OATT, as applicable.

Operating Data means GADS Data, data equivalent to GADS Data, CARL Data, metered load data, or actual system failure occurrences data, all as described in the ISO New England Operating Procedures.

Operating Day means the calendar day period beginning at midnight for which transactions on the New England Markets are scheduled.

Operating Reserve means Ten-Minute Spinning Reserve (TMSR), Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

Operations Date is February 1, 2005.

OTF Service is transmission service over OTF as provided for in Schedule 20.

Other Transmission Facility (OTF) are the transmission facilities owned by Transmission Owners, defined and classified as OTF pursuant to Schedule 20, over which the ISO shall exercise Operating Authority in accordance with the terms set forth in the OTOA, rated 69 kV or above, and required to allow energy from significant power sources to move freely on the New England Transmission System. OTF classification shall be limited to the Phase I/II HVDC-TF.

Other Transmission Operating Agreements (OTOA) is the agreement(s) between the ISO, an OTO and/or the associated service provider(s) with respect to an OTF, which includes the HVDC Transmission Operating Agreement and the Phase I/II HVDC-TF Transmission Service Administration Agreement. With respect to the Phase I/II HVDC-TF, the HVDC Transmission Operating Agreement covers the rights and responsibilities for the operation of the facility and the Phase I/II HVDC-TF Transmission Service

Administration Agreement covers the rights and responsibilities for the administration of transmission service.

Other Transmission Owner (OTO) is an owner of OTF.

Ownership Share is a right or obligation, for purposes of settlement, to a percentage share of all credits or charges associated with a Generator Asset or a Load Asset, where such facility is interconnected to the New England Transmission System.

Participant Expenses are defined in Section 1 of the Participants Agreement.

Participant Required Balance is defined in Section 5.3 of the ISO New England Billing Policy.

Participant Vote is defined in Section 1 of the Participants Agreement.

Participants Agreement is the agreement among the ISO, the New England Power Pool and Individual Participants, as amended from time to time, on file with the Commission.

Participants Committee is the principal committee referred to in the Participants Agreement.

Participating Transmission Owner (PTO) is a transmission owner that is a party to the TOA.

Passive DR Audit is the audit performed pursuant to Section III.13.6.1.5.4.

Passive DR Auditing Period is the summer Passive DR Auditing Period (June 1 to August 31) or winter Passive DR Auditing Period (December 1 to January 31) applicable to On-Peak Demand Resources and Seasonal Peak Demand Resources.

Payment is a sum of money due to a Covered Entity from the ISO.

Payment Default Shortfall Fund is defined in Section 5.1 of the ISO New England Billing Policy.

Permanent De-list Bid is a bid that may be submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy

Capacity Resource in the Forward Capacity Auction to permanently remove itself from the capacity market, as described in Section III.13.1.2.3.1.5 of Market Rule 1.

Phase I Transfer Credit is 40% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

Phase I/II HVDC-TF is defined in Schedule 20A to Section II of this Tariff.

Phase I/II HVDC-TF Transfer Capability is the transfer capacity of the Phase I/II HVDC-TF under normal operating conditions, as determined in accordance with Good Utility Practice. The “Phase I Transfer Capability” is the transfer capacity under normal operating conditions, as determined in accordance with Good Utility Practice, of the Phase I terminal facilities as determined initially as of the time immediately prior to Phase II of the Phase I/II HVDC-TF first being placed in service, and as adjusted thereafter only to take into account changes in the transfer capacity which are independent of any effect of Phase II on the operation of Phase I. The “Phase II Transfer Capability” is the difference between the Phase I/II HVDC-TF Transfer Capability and the Phase I Transfer Capability. Determinations of, and any adjustment in, Phase I/II HVDC-TF Transfer Capability shall be made by the ISO, and the basis for any such adjustment shall be explained in writing and posted on the ISO website.

Phase One Proposal is a first round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade, as applicable, by a Qualified Transmission Project Sponsor.

Phase II Transfer Credit is 60% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

Phase Two Solution is a second round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade by a Qualified Transmission Project Sponsor.

Planning Advisory Committee is the committee described in Attachment K of the OATT.

Planning and Reliability Criteria is defined in Section 3.3 of Attachment K to the OATT.

Planning Authority is an entity defined as such by the North American Electric Reliability Corporation.

Point(s) of Delivery (POD) is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available to the Receiving Party under the OATT.

Point of Interconnection shall have the same meaning as that used for purposes of Schedules 22, 23 and 25 of the OATT.

Point(s) of Receipt (POR) is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available by the Delivering Party under the OATT.

Point-To-Point Service is the transmission of capacity and/or energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Local Point-To-Point Service or OTF Service or MTF Service; and the transmission of capacity and/or energy from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Through or Out Service.

Policy Scenario is an Economic Study reference scenario that is described in Section 17.2(c) of Attachment K to the OATT.

Pool-Planned Unit is one of the following units: New Haven Harbor Unit 1 (Coke Works), Mystic Unit 7, Canal Unit 2, Potter Unit 2, Wyman Unit 4, Stony Brook Units 1, 1A, 1B, 1C, 2A and 2B, Millstone Unit 3, Seabrook Unit 1 and Waters River Unit 2 (to the extent of 7 megawatts of its Summer capability and 12 megawatts of its Winter capability).

Pool PTF Rate is the transmission rate determined in accordance with Schedule 8 to the OATT.

Pool RNS Rate is the transmission rate determined in accordance with paragraph (2) of Schedule 9 of Section II of the Tariff.

Pool-Scheduled Resources are described in Section III.1.10.2 of Market Rule 1.

Pool Supported PTF is defined as: (i) PTF first placed in service prior to January 1, 2000; (ii) Generator Interconnection Related Upgrades with respect to Category A and B projects (as defined in Schedule 11), but only to the extent not paid for by the interconnecting Generator Owner; and (iii) other PTF upgrades,

but only to the extent the costs therefore are determined to be Pool Supported PTF in accordance with Schedule 12.

Pool Transmission Facility (PTF) means the transmission facilities owned by PTOs which meet the criteria specified in Section II.49 of the OATT.

Posting Entity is any Market Participant or Non-Market Participant Transmission Customer providing financial security under the provisions of the ISO New England Financial Assurance Policy.

Posture means an action of the ISO to deviate from the jointly optimized security constrained economic dispatch for Energy and Operating Reserves solution for a Resource produced by the ISO's technical software for the purpose of maintaining sufficient Operating Reserve (both online and off-line) or for the provision of voltage or VAR support.

Posturing Credits are the Real-Time Posturing NCPC Credits for Generators (Other Than Limited Energy Resources) Postured for Reliability and the Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability.

Power Purchaser is the entity that is purchasing the capacity and/or energy to be transmitted under the OATT.

Principal is (i) the sole proprietor of a sole proprietorship; (ii) a general partner of a partnership; (iii) a president, chief executive officer, chief operating officer or chief financial officer (or equivalent position) of an organization; (iv) a manager, managing member or a member vested with the management authority for a limited liability company or limited liability partnership; (v) any person or entity that has the power to exercise a controlling influence over an organization's activities that are subject to regulation by the Federal Energy Regulatory Commission, the Securities and Exchange Commission, the Commodity Futures Trading Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; or (vi) any person or entity that: (a) is the direct owner of 10% or more of any class of an organization's equity securities; or (b) has directly contributed 10% or more of an organization's capital.

Profiled Load Assets include all Load Assets that are not directly metered by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP18, and some Load

Assets that are measured by OP-18 compliant metering (as currently described in Section IV of OP-18) to which the Host Participant Assigned Meter Reader allocates non-PTF losses.

Project Sponsor is an entity seeking to have a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource participate in the Forward Capacity Market, as described in Section III.13.

Proxy De-List Bid is a type of bid used in the Forward Capacity Market.

Provisional Member is defined in Section I.68A of the Restated NEPOOL Agreement.

PTO Administrative Committee is the committee referred to in Section 11.04 of the TOA.

Public Policy Requirement is a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (e.g., municipal or county) government.

Public Policy Transmission Study is a study conducted by the ISO pursuant to the process set out in Section 4A.3 of Attachment K of the OATT, and consists of two phases: (i) an initial phase to produce a rough estimate of the costs and benefits of concepts that could meet transmission needs driven by public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

Public Policy Local Transmission Study is a study conducted by a PTO pursuant to the process set out in Section 1.6 of Attachment K Appendix 1 of the OATT, and consists of two phases: (i) an initial phase to produce an estimate of the costs and benefits of concepts that could meet transmission needs driven by public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

Public Policy Transmission Upgrade is an addition and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Public Policy Transmission Upgrade PTF classification specified in the OATT, and has been included in the Regional System Plan and RSP Project List as a Public Policy Transmission Upgrade pursuant to the procedures described in Section 4A of Attachment K of the OATT.

Publicly Owned Entity is defined in Section I of the Restated NEPOOL Agreement.

Qualification Process Cost Reimbursement Deposit is described in Section III.13.1.9.3 of Market Rule 1.

Qualified Capacity is the amount of capacity a resource may provide in the summer or winter in a Capacity Commitment Period, as determined in the Forward Capacity Market qualification processes.

Qualified Generator Reactive Resource(s) is any generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

Qualified Non-Generator Reactive Resource(s) is any non-generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

Qualified Reactive Resource(s) is any Qualified Generator Reactive Resource and/or Qualified Non-Generator Reactive Resource that meets the criteria specified in Schedule 2 of the OATT.

Qualified Transmission Project Sponsor is defined in Sections 4B.2 and 4B.3 of Attachment K of the OATT.

Queue Position has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Rapid Response Pricing Asset is: (i) a Fast Start Generator; (ii) a Flexible DNE Dispatchable Generator; or (iii) a Binary Storage DARD with Offer Data specifying a Minimum Run Time and a Minimum Down Time not exceeding one hour each. A Rapid Response Pricing Asset shall also include a Fast Start Demand Response Resource for which the Market Participant's Offer Data meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; and (ii) Demand Response Resource Notification Time plus Demand Response Resource Start-Up Time does not exceed 30 minutes.

Rapid Response Pricing Opportunity Cost is the NCPC Credit described in Section III.F.2.3.10.

Rated means a Market Participant that receives a credit rating from one or more of the Rating Agencies, or, if such Market Participant is not rated by one of the Rating Agencies, then a Market Participant that has outstanding unsecured debt rated by one or more of the Rating Agencies.

Rating Agencies are Standard and Poor's (S&P), Moody's, and Fitch.

Rationing Minimum Limit is the MW quantity for a New Generating Capacity Resource or Existing Generating Capacity Resource below which an offer or bid may not be rationed in the Forward Capacity Auction, but shall not apply to supply offers or demand bids in a substitution auction as specified in Section III.13.2.8.2 and Section III.13.2.8.3.

RBA Decision is a written decision provided by the ISO to a Disputing Party and to the Chair of the NEPOOL Budget and Finance Subcommittee accepting or denying a Requested Billing Adjustment within twenty Business Days of the date the ISO distributes a Notice of RBA, unless some later date is agreed upon by the Disputing Party and the ISO.

Reactive Capability Audit is an audit that measures the ability of a Reactive Resource to provide or absorb reactive power to or from the transmission system at a specified real power output or consumption.

Reactive Resource is a device that dynamically adjusts reactive power output automatically in Real-Time over a continuous range, taking into account control system response bandwidth, within a specified voltage bandwidth in response to grid voltage changes. These resources operate to maintain a set-point voltage and include, but are not limited to, Generator Assets, Dispatchable Asset Related Demands that are part of an Electric Storage Facility, and dynamic transmission devices.

Reactive Supply and Voltage Control Service is the form of Ancillary Service described in Schedule 2 of the OATT.

Real-Time is a period in the current Operating Day for which the ISO dispatches Resources for energy and Regulation, designates Resources for Regulation and Operating Reserve and, if necessary, commits additional Resources.

Real-Time Adjusted Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Adjusted Load Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Commitment NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Congestion Revenue is defined in Section III.3.2.1(i) of Market Rule 1.

Real-Time Demand Reduction Obligation is defined in Section III.3.2.1(c) of Market Rule 1.

Real-Time Demand Reduction Obligation Deviation is defined in Section III.3.2.1(e) of Market Rule 1.

Real-Time Dispatch NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Energy Inventory is a component of the spot payment that a Market Participant may receive through the inventoried energy program, as described in Section III.K.3.2.1 of Market Rule 1.

Real-Time Energy Market means the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, and payment for losses for quantity deviations from the Day-Ahead Energy Market in the Operating Day and designation of and payment for provision of Operating Reserve in Real-Time.

Real-Time Energy Market Deviation Congestion Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market Deviation Energy Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market Deviation Loss Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market NCPC Credits are the Real-Time Commitment NCPC Credit and the Real-Time Dispatch NCPC Credit.

Real-Time External Transaction NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Generation Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Generation Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time High Operating Limit is the maximum output, in MW, of a Generator Asset that could be achieved, consistent with Good Utility Practice, in response to an ISO request for Energy (including pursuant to Section III.13.6.4 of Market Rule 1), for each hour of the Operating Day, as reflected in the Generator Asset's Offer Data. This value is based on real-time operating conditions and the physical operating characteristics and operating permits of the facility and must be submitted for all Generator Assets (other than Settlement Only Resources).

Real-Time Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Load Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Locational Adjusted Net Interchange is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Locational Adjusted Net Interchange Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Loss Revenue is defined in Section III.3.2.1(l) of Market Rule 1.

Real-Time Loss Revenue Charges or Credits are defined in Section III.3.2.1(m) of Market Rule 1.

Real-Time NCP Load Obligation is the maximum hourly value, during a month, of a Market Participant's Real-Time Load Obligation summed over all Locations, excluding exports, in kilowatts.

Real-Time Offer Change is a modification to a Supply Offer pursuant to Section III.1.10.9(b).

Real-Time Posturing NCPC Credit for Generators (Other Than Limited Energy Resources)

Postured for Reliability is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability is an

NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Prices means the Locational Marginal Prices resulting from the ISO's dispatch of the New England Markets in the Operating Day.

Real-Time Reserve Charge is a Market Participant's share of applicable system and Reserve Zone Real-Time Operating Reserve costs attributable to meeting the Real-Time Operating Reserve requirement as calculated in accordance with Section III.10 of Market Rule 1.

Real-Time Reserve Clearing Price is the Real-Time TMSR, TMNSR or TMOR clearing price, as applicable, for the system and each Reserve Zone that is calculated in accordance with Section III.2.7A of Market Rule 1.

Real-Time Reserve Credit is a Market Participant's compensation associated with that Market Participant's Resources' Reserve Quantity For Settlement as calculated in accordance with Section III.10 of Market Rule 1.

Real-Time Reserve Designation is the amount, in MW, of Operating Reserve designated to a Resource in Real-Time by the ISO as described in Section III.1.7.19 of Market Rule 1.

Real-Time Reserve Opportunity Cost is defined in Section III.2.7A(b) of Market Rule 1.

Real-Time SATOA Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Synchronous Condensing NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time System Adjusted Net Interchange means, for each hour, the sum of Real-Time Locational Adjusted Net Interchange for a Market Participant over all Locations, in kilowatts.

Receiving Party is the entity receiving the capacity and/or energy transmitted to Point(s) of Delivery under the OATT.

Reference Level is defined in Section III.A.5.7 of Appendix A of Market Rule 1.

Regional Benefit Upgrade(s) (RBU) means a Transmission Upgrade that: (i) is rated 115kV or above; (ii) meets all of the non-voltage criteria for PTF classification specified in the OATT; and (iii) is included in the Regional System Plan as either a Reliability Transmission Upgrade or a Market Efficiency Transmission Upgrade identified as needed pursuant to Attachment K of the OATT. The category of RBU shall not include any Transmission Upgrade that has been categorized under any of the other categories specified in Schedule 12 of the OATT (e.g., an Elective Transmission Upgrade shall not also be categorized as an RBU). Any upgrades to transmission facilities rated below 115kV that were PTF prior to January 1, 2004 shall remain classified as PTF and be categorized as an RBU if, and for so long as, such upgrades meet the criteria for PTF specified in the OATT.

Regional Network Load is the load that a Network Customer designates for Regional Network Service under Part II.B of the OATT. The Network Customer's Regional Network Load shall include all load designated by the Network Customer (including losses). A Network Customer may elect to designate less than its total load as Regional Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Transmission Customer has elected not to designate a particular load at discrete Points of Delivery as Regional Network Load, the Transmission Customer is responsible for making separate arrangements under Part II.C of the OATT for any Point-To-Point Service that may be necessary for such non-designated load. A Network Customer's Monthly Regional Network Load shall be calculated in accordance with Section II.21.2 of the OATT.

Regional Network Service (RNS) is the transmission service over the PTF described in Part II.B of the OATT, including such service which is used with respect to Network Resources or Regional Network Load that is not physically interconnected with the PTF.

Regional Planning Dispute Resolution Process is described in Section 12 of Attachment K to the OATT.

Regional System Plan (RSP) is the plan developed under the process specified in Attachment K of the OATT.

Regional Transmission Service (RTS) is Regional Network Service and Through or Out Service as provided over the PTF in accordance with Section II.B, Section II.C, Schedule 8 and Schedule 9 of the OATT.

Regulation is the capability of a specific Resource with appropriate telecommunications, control and response capability to respond to an AGC SetPoint.

Regulation and Frequency Response Service is the form of Ancillary Service described in Schedule 3 of the OATT. The capability of performing Regulation and Frequency Response Service is referred to as automatic generation control (AGC).

Regulation Capacity is the lesser of five times the Automatic Response Rate and one-half of the difference between the Regulation High Limit and the Regulation Low Limit of a Resource capable of providing Regulation.

Regulation Capacity Requirement is the amount of Regulation Capacity required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

Regulation Capacity Offer is an offer by a Market Participant to provide Regulation Capacity.

Regulation High Limit is an offer parameter that establishes the upper bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

Regulation Low Limit is an offer parameter that establishes the lower bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

Regulation Market is the market described in Section III.14 of Market Rule 1.

Regulation Resources are those Alternative Technology Regulation Resources, Generator Assets, and Dispatchable Asset Related Demands that satisfy the requirements of Section III.14.2. Regulation Resources are eligible to participate in the Regulation Market.

Regulation Service is the change in output or consumption made in response to changing AGC SetPoints.

Regulation Service Requirement is the estimated amount of Regulation Service required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

Regulation Service Offer is an offer by a Market Participant to provide Regulation Service.

Related Person is defined pursuant to Section 1.1 of the Participants Agreement.

Related Transaction is defined in Section III.1.4.3 of Market Rule 1.

Reliability Administration Service (RAS) is the service provided by the ISO, as described in Schedule 3 of Section IV.A of the Tariff, in order to administer the Reliability Markets and provide other reliability-related and informational functions.

Reliability Committee is the committee whose responsibilities are specified in Section 8.2.3 of the Participants Agreement.

Reliability Markets are, collectively, the ISO's administration of Regulation, the Forward Capacity Market, and Operating Reserve.

Reliability Region means any one of the regions identified on the ISO's website. Reliability Regions are intended to reflect the operating characteristics of, and the major transmission constraints on, the New England Transmission System.

Reliability Transmission Upgrade means those additions and upgrades not required by the interconnection of a generator that are nonetheless necessary to ensure the continued reliability of the New England Transmission System, taking into account load growth and known resource changes, and include those upgrades necessary to provide acceptable stability response, short circuit capability and system voltage levels, and those facilities required to provide adequate thermal capability and local voltage levels that cannot otherwise be achieved with reasonable assumptions for certain amounts of generation being unavailable (due to maintenance or forced outages) for purposes of long-term planning

studies. Good Utility Practice, applicable reliability principles, guidelines, criteria, rules, procedures and standards of ERO and NPCC and any of their successors, applicable publicly available local reliability criteria, and the ISO System Rules, as they may be amended from time to time, will be used to define the system facilities required to maintain reliability in evaluating proposed Reliability Transmission Upgrades. A Reliability Transmission Upgrade may provide market efficiency benefits as well as reliability benefits to the New England Transmission System.

Remittance Advice is an issuance from the ISO for the net Payment owed to a Covered Entity where a Covered Entity's total Payments exceed its total Charges in a billing period.

Remittance Advice Date is the day on which the ISO issues a Remittance Advice.

Renewable Technology Resource is a Generating Capacity Resource or an On-Peak Demand Resource that satisfies the requirements specified in Section III.13.1.1.1.7.

Re-Offer Period is the period that normally occurs between the posting of the of the Day-Ahead Energy Market results and 2:00 p.m. on the day before the Operating Day during which a Market Participant may submit revised Supply Offers, revised External Transactions, or revised Demand Bids associated with Dispatchable Asset Related Demands or, revised Demand Reduction Offers associated with Demand Response Resources.

Replacement Reserve is described in Part III, Section VII of ISO New England Operating Procedure No. 8.

Request for Alternative Proposals (RFAP) is the request described in Attachment K of the OATT.

Requested Billing Adjustment (RBA) is defined in Section 6.1 of the ISO New England Billing Policy.

Required Balance is an amount as defined in Section 5.3 of the Billing Policy.

Reseller is a MGTSA holder that sells, assigns or transfers its rights under its MGTSA, as described in Section II.45.1(a) of the OATT.

Reserve Adequacy Analysis is the analysis performed by the ISO to determine if adequate Resources are committed to meet forecasted load, Operating Reserve, and security constraint requirements for the current and next Operating Day.

Reserve Constraint Penalty Factors (RCPFs) are rates, in \$/MWh, that are used within the Real-Time dispatch and pricing algorithm to reflect the value of Operating Reserve shortages and are defined in Section III.2.7A(c) of Market Rule 1.

Reserve Quantity For Settlement is defined in Section III.10.1 of Market Rule 1.

Reserve Zone is defined in Section III.2.7 of Market Rule 1.

Reserved Capacity is the maximum amount of capacity and energy that is committed to the Transmission Customer for transmission over the New England Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II.C or Schedule 18, 20 or 21 of the OATT, as applicable. Reserved Capacity shall be expressed in terms of whole kilowatts on a sixty-minute interval (commencing on the clock hour) basis, or, in the case of Reserved Capacity for Local Point-to-Point Service, in terms of whole megawatts on a sixty-minute interval basis.

Resource means a Generator Asset, a Dispatchable Asset Related Demand, an External Resource, an External Transaction, a Demand Response Resource, a Settlement Only Distributed Energy Resource Aggregation, or a Demand Response Distributed Energy Resource Aggregation.

Restated New England Power Pool Agreement (RNA) is the Second Restated New England Power Pool Agreement, which restated for a second time by an amendment dated as of August 16, 2004 the New England Power Pool Agreement dated September 1, 1971, as the same may be amended and restated from time to time, governing the relationship among the NEPOOL members.

Rest-of-Pool Capacity Zone is a single Capacity Zone made up of the adjacent Load Zones that are neither export-constrained nor import-constrained.

Rest of System is an area established under Section III.2.7(d) of Market Rule 1.

Retail Delivery Point is the point on the transmission or distribution system at which the load of an end-use facility, which is metered and assigned a unique account number by the Host Participant, is measured to determine the amount of energy delivered to the facility from the transmission and distribution system. If an end-use facility is connected to the transmission or distribution system at more than one location, the Retail Delivery Point shall consist of the metered load at each connection point, summed to measure the net energy delivered to the facility in each interval.

Retirement De-List Bid is a bid to retire an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource from all New England Markets, as described in Section III.13.1.2.3.1.5.

Returning Market Participant is a Market Participant, other than an FTR-Only Customer or a Governance Only Member, whose previous membership as a Market Participant was involuntarily terminated due to a Financial Assurance Default or a payment default and, since returning, has been a Market Participant for less than six consecutive months.

Revenue Requirement is defined in Section IV.A.2.1 of the Tariff.

Reviewable Action is defined in Section III.D.1.1 of Appendix D of Market Rule 1.

Reviewable Determination is defined in Section 12.4(a) of Attachment K to the OATT.

RSP Project List is defined in Section 1 of Attachment K to the OATT.

RTEP02 Upgrade(s) means a Transmission Upgrade that was included in the annual NEPOOL Transmission Plan (also known as the “Regional Transmission Expansion Plan” or “RTEP”) for the year 2002, as approved by ISO New England Inc.’s Board of Directors, or the functional equivalent of such Transmission Upgrade, as determined by ISO New England Inc. The RTEP02 Upgrades are listed in Schedule 12B of the OATT.

RTO is a regional transmission organization or comparable independent transmission organization that complies with Order No. 2000 and the Commission’s corresponding regulation.

Same Reserve Zone Export Transaction is defined in Section III.1.10.7(f)(iii) of Market Rule 1.

Schedule, Schedules, Schedule 1, 2, 3, 4 and 5 are references to the individual or collective schedules to Section IV.A. of the Tariff.

Schedule 20A Service Provider (SSP) is defined in Schedule 20A to Section II of this Tariff.

Scheduling Service, for purposes of Section IV.A and Section IV.B of the Tariff, is the service described in Schedule 1 to Section IV.A of the Tariff.

Scheduling, System Control and Dispatch Service, for purposes of Section II of the Tariff, is the form of Ancillary Service described in Schedule 1 of the OATT.

Seasonal Claimed Capability is the summer or winter claimed capability of a Generator Asset or Generating Capacity Resource, and represents the maximum dependable load carrying ability of the asset or resource, excluding capacity required for station use.

Seasonal Claimed Capability Audit is the Generator Asset audit performed pursuant to Section III.1.5.1.3.

Seasonal DR Audit is the Demand Response Resource audit performed pursuant to Section III.1.5.1.3.1.

Seasonal Peak Demand Resource is a type of Demand Capacity Resource and shall mean installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource Seasonal Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

Section III.1.4 Transactions are defined in Section III.1.4.2 of Market Rule 1.

Section III.1.4 Conforming Transactions are defined in Section III.1.4.2 of Market Rule 1.

Security Agreement is Attachment 1 to the ISO New England Financial Assurance Policy.

Selected Qualified Transmission Project Sponsor is the Qualified Transmission Project Sponsor that proposed the Phase Two Solution, Stage Two Solution, or Longer-Term Proposal that has been identified by the ISO as the preferred Phase Two Solution, Stage Two Solution, or Longer-Term Transmission Solution.

Selected Qualified Transmission Project Sponsor Agreement is the agreement between the ISO and a Selected Qualified Transmission Project Sponsor. The Selected Qualified Transmission Project Sponsor Agreement is provided in Attachment P to the OATT.

Self-Schedule is the action of a Market Participant in committing its Generator Asset or DARD, in accordance with applicable ISO New England Manuals, to provide service in an hour, whether or not in the absence of that action the Generator Asset or DARD would have been committed by the ISO to provide the service. For a Generator Asset, Self-Schedule is the action of a Market Participant in committing a Generator Asset to provide Energy in an hour at its Economic Minimum Limit, whether or not in the absence of that action the Generator Asset would have been committed by the ISO to provide the Energy. For a DARD, Self-Schedule is the action of a Market Participant in committing a DARD to consume Energy in an hour at its Minimum Consumption Limit, whether or not in the absence of that action the DARD would have been committed by the ISO to consume Energy. For an External Transaction, a Self-Schedule is a request by a Market Participant for the ISO to select the External Transaction regardless of the LMP. Demand Response Resources are not permitted to Self-Schedule.

Self-Supplied FCA Resource is described in Section III.13.1.6 of Market Rule 1.

Senior Officer means an officer of the subject entity with the title of vice president (or similar office) or higher, or another officer designated in writing to the ISO by that officer.

Service Agreement is a Transmission Service Agreement or an MPSA.

Service Commencement Date is the date service is to begin pursuant to the terms of an executed Service Agreement, or the date service begins in accordance with the sections of the OATT addressing the filing of unexecuted Service Agreements.

Services means, collectively, the Scheduling Service, EAS and RAS; individually, a Service.

Settlement Financial Assurance is an amount of financial assurance required from a Designated FTR Participant awarded a bid in an FTR Auction. This amount is calculated pursuant to Section VI.C of the ISO New England Financial Assurance Policy.

Settlement Only Distributed Energy Resource Aggregation (SODERA) is a type of Distributed Energy Resource Aggregation and is described in additional detail in Section III.6.6.

Settlement Only Resources are generators of less than 5 MW of maximum net output when operating at any temperature at or above zero degrees Fahrenheit, that meet the metering, interconnection and other requirements in ISO New England Operating Procedure No. 14 and that have elected Settlement Only Resource treatment as described in the ISO New England Manual for Registration and Performance Auditing.

Shortfall Funding Arrangement, as specified in Section 5.1 of the ISO New England Billing Policy, is a separate financing arrangement that can be used to make up any non-congestion related differences between amounts received on Invoices and amounts due for ISO Charges in any bill issued.

Short-Term is a period of less than one year.

Significantly Reduced Congestion Costs are defined in Section III.G.2.2 of Appendix G to Market Rule 1.

SMD Effective Date is March 1, 2003.

Solar High Limit is the estimated power output (MW) of a solar Generator Asset given the Real-Time solar and weather conditions, taking into account equipment outages, and absent any self-imposed reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

Solar Plant Future Availability is the forecasted Real-Time High Operating Limit of a solar Generator Asset, calculated in the manner described in the ISO Operating Documents.

Solutions Study is described in Section 4.2(b) of Attachment K to the OATT.

Special Constraint Resource (SCR) is a Resource that provides Special Constraint Resource Service under Schedule 19 of the OATT.

Special Constraint Resource Service is the form of Ancillary Service described in Schedule 19 of the OATT.

Specified-Term Blackstart Capital Payment is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Sponsored Policy Resource is a New Capacity Resource, each asset of which: receives a revenue source, other than revenues from ISO-administered markets, that is supported by a government-regulated rate, charge, or other regulated cost recovery mechanism, and; qualifies as a renewable, clean, zero carbon, or alternative energy asset under a renewable energy portfolio standard, clean energy standard, decarbonization or net-zero carbon standard, alternative energy portfolio standard, renewable energy goal, clean energy goal, or decarbonization or net-zero carbon goal enacted by federal or New England state statute, regulation, or executive or administrative order and as a result of which the asset receives the revenue source.

Stage One Proposal is a first round submission, as defined in Section 4A.6 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

Stage Two Solution is a second round submission, as defined in Section 4A.8 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

Stakeholder-Requested Scenario is an Economic Study reference scenario that is described in Section 17.2(d) of Attachment K to the OATT.

Standard Blackstart Capital Payment is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart

Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Start-of-Round Price is the highest price associated with a round of a Forward Capacity Auction as described in Section III.13.2.3.1 of Market Rule 1.

Start-Up Fee is the amount, in dollars, that must be paid for a Generator Asset to Market Participants with an Ownership Share in the Generator Asset each time the Generator Asset is scheduled in the New England Markets to start-up.

Start-Up Time is the time it takes the Generator Asset, after synchronizing to the system, to reach its Economic Minimum Limit and, for dispatchable Generator Assets, be ready for further dispatch by the ISO.

State Estimator means the computer model of power flows specified in Section III.2.3 of Market Rule 1.

State-identified Requirement refers to a legal requirement, mandate or policy of a New England state or local government that forms the basis for a Longer-Term Transmission Study request submitted to the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT.

Statements, for the purpose of the ISO New England Billing Policy, refer to both Invoices and Remittance Advices.

Static De-List Bid is a bid that may be submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource in the Forward Capacity Auction to remove itself from the capacity market for a one year period, as described in Section III.13.1.2.3.1.1 of Market Rule 1.

Station is one or more Existing Generating Capacity Resources consisting of one or more assets located within a common property boundary.

Station Going Forward Common Costs are the net costs associated with a Station that are avoided only by the clearing of the Static De-List Bids, the Permanent De-List Bids or the Retirement De-List Bids of all the Existing Generating Capacity Resources comprising the Station.

Station-level Blackstart O&M Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Station-level Specified-Term Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Station-level Standard Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Storage as Transmission-Only Asset (SATO) is electric storage equipment that: (1) is connected to or to be connected to Pool Transmission Facilities in the New England Transmission System at a voltage level of 115 kV or higher; (2) the ISO approved to be included in the Regional System Plan and RSP Project List as a regulated transmission solution and Pool Transmission Facility pursuant to the regional system planning processes in Attachment K of the OATT; and (3) is capable of receiving energy only from the Pool Transmission Facilities and storing the energy for later injection to the Pool Transmission Facilities.

Storage DARD is a DARD that participates in the New England Markets as part of an Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Substation Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Summer ARA Qualified Capacity is described in Section III.13.4.2.1.2.1.1.1 of Market Rule 1.

Summer Capability Period means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Summer Capability Period is the period of June 1 through September 30.

Summer Intermittent Reliability Hours are defined in Section III.13.1.2.2.2.1(c) of Market Rule 1.

Supply Offer is a proposal to furnish energy at a Node or Regulation from a Resource that meets the applicable requirements set forth in the ISO New England Manuals submitted to the ISO by a Market Participant with authority to submit a Supply Offer for the Resource. The Supply Offer will be submitted pursuant to Market Rule 1 and applicable ISO New England Manuals, and include a price and information with respect to the quantity proposed to be furnished, technical parameters for the Resource, timing and other matters. A Supply Offer is a subset of the information required in a Market Participant's Offer Data.

Supply Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Supply Offer. Blocks of the Supply Offer in effect for each hour will be totaled to determine the quantity of Supply Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of "unavailable" for the entire day, that day will not contribute to the quantity of Supply Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Supply Offer Block-Hours.

Synchronous Condenser is a generator that is synchronized to the grid but supplying no energy for the purpose of providing Operating Reserve or VAR or voltage support.

System Condition is a specified condition on the New England Transmission System or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm MTF or OTF Service on the MTF or the OTF using the curtailment priority pursuant to Section II.44 of the Tariff or Curtailment of Local Long-Term Firm Point-to-Point Transmission Service on the non-PTF using the curtailment priority pursuant to Schedule 21 of the Tariff. Such conditions must be identified in the Transmission Customer's Service Agreement.

System Impact Study is an assessment pursuant to Part II.B, II.C, II.G, Schedule 21, Schedule 22, Schedule 23, or Schedule 25 of the OATT of (i) the adequacy of the PTF or Non-PTF to accommodate a request for the interconnection of a new or materially changed generating unit or a new or materially changed interconnection to another Control Area or new Regional Network Service or new Local Service or an Elective Transmission Upgrade, and (ii) whether any additional costs may be required to be incurred in order to provide the interconnection or transmission service.

System Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

System Operator shall mean ISO New England Inc. or a successor organization.

System Operating Limit (SOL) has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

System-Wide Capacity Demand Curve is the demand curve used in the Forward Capacity Market as specified in Section III.13.2.2.

TADO is the total amount due and owing (not including any amounts due under Section 14.1 of the RNA) at such time to the ISO, NEPOOL, the PTOs, the Market Participants and the Non-Market Participant Transmission Customers, by all PTOs, Market Participants and Non-Market Participant Transmission Customers.

Tangible Net Worth is the value, determined in accordance with international accounting standards or generally accepted accounting principles in the United States, of all of that entity's assets less the following: (i) assets the ISO reasonably believes to be restricted or potentially unavailable to settle a claim in the event of a default (e.g., regulatory assets, restricted assets, and Affiliate assets), net of any matching liabilities, to the extent that the result of that netting is a positive value; (ii) derivative assets, net of any matching liabilities, to the extent that the result of that netting is a positive value; (iii) the amount at which the liabilities of the entity would be shown on a balance sheet in accordance with international accounting standards or generally accepted accounting principles in the United States; (iv) preferred stock; (v) non-controlling interest; and (vi) all of that entity's intangible assets (e.g., patents, trademarks, franchises, intellectual property, goodwill and any other assets not having a physical existence), in each case as shown on the most recent financial statements provided by such entity to the ISO.

Technical Committee is defined in Section 8.2 of the Participants Agreement.

Ten-Minute Non-Spinning Reserve (TMNSR) is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Ten-Minute Non-Spinning Reserve Service is the form of Ancillary Service described in Schedule 6 of the OATT.

Ten-Minute Reserve Requirement is the combined amount of TMSR and TMNSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Ten-Minute Spinning Reserve (TMSR) is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Ten-Minute Spinning Reserve Requirement is the amount of TMSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Ten-Minute Spinning Reserve Service is the form of Ancillary Service described in Schedule 5 of the OATT.

Third-Party Sale is any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Regional Network Load or Local Network Load under the Regional Network Service or Local Network Service, as applicable.

Thirty-Minute Operating Reserve (TMOR) is a form of thirty-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Thirty-Minute Operating Reserve Service is the form of Ancillary Service described in Schedule 7 of the OATT.

Through or Out Rate (TOUT Rate) is the rate per hour for Through or Out Service, as defined in Section II.25.2 of the OATT.

Through or Out Service (TOUT Service) means Point-To-Point Service over the PTF provided by the ISO with respect to a transaction that goes through the New England Control Area, as, for example, a single transaction where energy or capacity is transmitted into the New England Control Area from New Brunswick and subsequently out of the New England Control Area to New York, or a single transaction where energy or capacity is transmitted into the New England Control Area from New York through one point on the PTF and subsequently flows over the PTF prior to passing out of the New England Control

Area to New York, or with respect to a transaction which originates at a point on the PTF and flows over the PTF prior to passing out of the New England Control Area, as, for example, from Boston to New York.

Tie-Line Asset is a physical transmission tie-line, or an inter-state or intra-state border arrangement created according to the ISO New England Manuals and registered in accordance with the Asset Registration Process.

Total Available Amount is the sum of the available amount of the Shortfall Funding Arrangement and the balance in the Payment Default Shortfall Fund.

Total Blackstart Capital Payment is the annual compensation calculated under either Section 5.1 or Section 5.2 of Schedule 16 of the OATT, as applicable.

Total Blackstart Service Payments is monthly compensation to Blackstart Owners or Market Participants, as applicable, and as calculated pursuant to Section 5.6 of Schedule 16 to the OATT.

Total Reserve Requirement, which includes Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Total System Capacity is the aggregate capacity supply curve for the New England Control Area as determined in accordance with Section III.13.2.3.3 of Market Rule 1.

Transaction Unit (TU) is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers.

Transition Period: The six-year period commencing on March 1, 1997.

Transmission Charges, for the purposes of the ISO New England Financial Assurance Policy and the ISO New England Billing Policy, are all charges and payments under Schedules 1, 8 and 9 of the OATT.

Transmission Congestion Credit means the allocated share of total Transmission Congestion Revenue credited to each holder of Financial Transmission Rights, calculated and allocated as specified in Section III.5.2 of Market Rule 1.

Transmission Congestion Revenue is defined in Section III.5.2.5(a) of Market Rule 1.

Transmission Constraint Penalty Factors are described in Section III.1.7.5 of Market Rule 1.

Transmission Credit Limit is a credit limit, not to be used to meet FTR Requirements, established for each Market Participant in accordance with Section II.D and each Non-Market Participant Transmission Customer in accordance with Section V.B.2 of the ISO New England Financial Assurance Policy.

Transmission Credit Test Percentage is calculated in accordance with Section III.B.1(c) of the ISO New England Financial Assurance Policy.

Transmission Customer is any Eligible Customer that (i) executes, on its own behalf or through its Designated Agent, an MPSA or TSA, or (ii) requests in writing, on its own behalf or through its Designated Agent, that the ISO, the Transmission Owner, or the Schedule 20A Service Provider, as applicable, file with the Commission, a proposed unexecuted MPSA or TSA containing terms and conditions deemed appropriate by the ISO (in consultation with the applicable PTO, OTO or Schedule 20A Service Provider) in order that the Eligible Customer may receive transmission service under Section II of this Tariff. A Transmission Customer under Section II of this Tariff includes a Market Participant or a Non-Market Participant taking Regional Network Service, Through or Out Service, MTF Service, OTF Service, Ancillary Services, or Local Service.

Transmission Default Amount is all or any part of any amount of Transmission Charges due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due.

Transmission Default Period is defined in Section 3.4.f of the ISO New England Billing Policy.

Transmission Late Payment Account is defined in Section 4.2 of the ISO New England Billing Policy.

Transmission Late Payment Account Limit is defined in Section 4.2 of the ISO New England Billing Policy.

Transmission Late Payment Charge is defined in Section 4.1 of the ISO New England Billing Policy.

Transmission, Markets and Services Tariff (Tariff) is the ISO New England Inc. Transmission, Markets and Services Tariff, as amended from time to time.

Transmission Obligations are determined in accordance with Section III.A(vi) of the ISO New England Financial Assurance Policy.

Transmission Operating Agreement (TOA) is the Transmission Operating Agreement between and among the ISO and the PTOs, as amended and restated from time to time.

Transmission Owner means a PTO, MTO or OTO.

Transmission Provider is the ISO for Regional Network Service and Through or Out Service as provided under Section II.B and II.C of the OATT; Cross-Sound Cable, LLC for Merchant Transmission Service as provided under Schedule 18 of the OATT; the Schedule 20A Service Providers for Phase I/II HVDC-TF Service as provided under Schedule 20A of the OATT; and the Participating Transmission Owners for Local Service as provided under Schedule 21 of the OATT.

Transmission Requirements are determined in accordance with Section III.A(iii) of the ISO New England Financial Assurance Policy.

Transmission Security Analysis Requirement shall be determined pursuant to Section III.12.2.1.2.

Transmission Service Agreement (TSA) is the initial agreement and any amendments or supplements thereto: (A) in the form specified in either Attachment A or B to the OATT, entered into by the Transmission Customer and the ISO for Regional Network Service or Through or Out Service; (B) entered into by the Transmission Customer with the ISO and PTO in the form specified in Attachment A to Schedule 21 of the OATT; (C) entered into by the Transmission Customer with an OTO or Schedule 20A Service Provider in the appropriate form specified under Schedule 20 of the OATT; or (D) entered into by the Transmission Customer with a MTO in the appropriate form specified under Schedule 18 of

the OATT. A Transmission Service Agreement shall be required for Local Service, MTF Service and OTF Service, and shall be required for Regional Network Service and Through or Out Service if the Transmission Customer has not executed a MPSA.

Transmission Upgrade(s) means an upgrade, modification or addition to the PTF that becomes subject to the terms and conditions of the OATT governing rates and service on the PTF on or after January 1, 2004. This categorization and cost allocation of Transmission Upgrades shall be as provided for in Schedule 12 of the OATT.

Transitional Cluster Study has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Transitional CNR Group Study has the meaning specified in Section I of Schedule 22, Section I of 23, and Section I of 25 of the OATT.

UDS is unit dispatch system software.

Unconstrained Export Transaction is defined in Section III.1.10.7(f)(iv) of Market Rule 1.

Uncovered Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Uncovered Transmission Default Amounts are defined in Section 3.4.f of the ISO New England Billing Policy.

Unrated means a Market Participant that is not a Rated Market Participant.

Unsecured Covered Entity is, collectively, an Unsecured Municipal Market Participant and an Unsecured Non-Municipal Covered Entity.

Unsecured Municipal Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Municipal Market Participant is defined in Section 3.3(h) of the ISO New England Billing Policy.

Unsecured Municipal Transmission Default Amount is defined in Section 3.4.f of the ISO New England Billing Policy.

Unsecured Non-Municipal Covered Entity is a Covered Entity that is not a Municipal Market Participant or a Non-Market Participant Transmission Customer and has a Market Credit Limit or Transmission Credit Limit of greater than \$0 under the ISO New England Financial Assurance Policy.

Unsecured Non-Municipal Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Non-Municipal Transmission Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Transmission Default Amounts are, collectively, the Unsecured Municipal Transmission Default Amount and the Unsecured Non-Municipal Transmission Default Amount.

Unsettled FTR Financial Assurance is an amount of financial assurance required from a Designated FTR Participant as calculated pursuant to Section VI.B of the ISO New England Financial Assurance Policy.

Updated Measurement and Verification Plan is an optional Measurement and Verification Plan that may be submitted as part of a subsequent qualification process for a Forward Capacity Auction prior to the beginning of the Capacity Commitment Period of the On-Peak Demand Resource or Seasonal Peak Demand Response project. The Updated Measurement and Verification Plan may include updated project specifications, measurement and verification protocols, and performance data as described in Section III.13.1.4.3.1.2 of Market Rule 1 and the ISO New England Manuals.

VAR CC Rate is the CC rate paid to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

VAR Payment is the payment made to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

VAR Service is the provision of reactive power voltage support to the New England Transmission System by a Qualified Reactive Resource or by other generators that are dispatched by the ISO to provide dynamic reactive power as described in Schedule 2 of the OATT.

Virtual Cap is \$2,000/MWh.

Virtual Requirements are determined in accordance with Section III.A(iv) of the ISO New England Financial Assurance Policy.

Volt Ampere Reactive (VAR) is a measurement of reactive power.

Volumetric Measure (VM) is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers under Section IV.A of the Tariff.

Wind High Limit is the estimated power output (MW) of a wind Generator Asset given the Real-Time weather conditions, taking into account equipment outages, and absent any self-imposed reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

Wind Plant Future Availability is the forecasted Real-Time High Operating Limit of a wind Generator Asset, calculated in the manner described in the ISO Operating Documents.

Winter ARA Qualified Capacity is described in Section III.13.4.2.1.2.1.1.2 of Market Rule 1.

Winter Capability Period means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Winter Capability Period is the period October 1 through May 31.

Winter Intermittent Reliability Hours are defined in Section III.13.1.2.2.2.2(c) of Market Rule 1.

Year means a period of 365 or 366 days, whichever is appropriate, commencing on, or on the anniversary of March 1, 1997. Year One is the Year commencing on March 1, 1997, and Years Two and higher follow it in sequence.

Zonal Price is calculated in accordance with Section III.2.7 of Market Rule 1.

Zonal Capacity Obligation is calculated in accordance with Section III.13.7.5.2 of Market Rule 1.

Zonal Reserve Requirement is the combined amount of TMSR, TMNSR, and TMOR required for a Reserve Zone as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

II.48 Interconnection Service Capabilities

II.48.1 Establishing CNR Capability and CNI Capability

(a) CNR Capability shall be established as follows: Section 5.2.3 of Schedule 22 and Section 5.2.3 of Schedule 23 of this OATT describe the establishment of CNR Capability for a Generating Facility that was treated as an Existing Generating Capacity Resource in the fourth Forward Capacity Auction. For a Generating Facility newly obtaining or increasing CNR Interconnection Service in the fourth Forward Capacity Auction through Forward Capacity Market activities prior to September 4, 2024, summer CNR Capability shall be established as the highest MW quantity of Capacity Supply Obligation obtained by the Generating Capacity Resource for the summer period and winter CNR Capability shall be established as the higher of (1) the highest MW quantity of Capacity Supply Obligation obtained by the associated Generating Capacity Resource for the winter period and (2) the Generating Facility's summer CNR Capability multiplied by the ratio of the Generating Capacity Resource's winter Qualified Capacity to summer Qualified Capacity for the auction in which the entry occurred. Commencing September 4, 2024, the summer and winter CNR Capability for a Generating Facility shall be established as the amounts requested in the Generating Facility's Interconnection Request, for which all of the requirements in the Interconnection Procedures have been completed, and which shall not exceed the maximum net MW electrical output at the Point of Interconnection at an ambient temperature at or above 90 degrees F for summer and at or above 20 degrees F for winter.

Notwithstanding the requirements contained in this section, a Generating Facility that did not secure a Capacity Supply Obligation prior to September 4, 2024, may establish CNR Interconnection Service through the process described in Section III.13.A.2 - Interim Reconfiguration Auction Qualification, conducted prior to January 1, 2025, provided that the Generating Facility (1) has a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before July 1, 2024 and (2) has a Commercial Operation Date prior to June 1, 2028.

(b) CNI Capability shall be established as follows: Summer and winter CNI Capability for an External ETU with CNI Interconnection Service pursuant to Schedule 25 of this OATT shall be established as the amounts requested in the External ETU's Interconnection Request for which all of the requirements of the interconnection process have been completed.

Notwithstanding the requirements contained in this section, an External ETU that did not secure a Capacity Supply Obligation prior to September 4, 2024, may establish CNI Interconnection Service

through the process described in Section III.13.A.2 - Interim Reconfiguration Auction Qualification, conducted prior to January 1, 2025, provided that the External ETU (1) has a completed System Impact Study or Interconnection Agreement establishing NI Interconnection Service on or before July 1, 2024.

At the time of its establishment pursuant to the preceding paragraph, the CNI Capability shall not exceed the maximum net MW electrical capability at the Point of Interconnection and shall not exceed applicable seasonal equipment ratings determined pursuant to industry standards and consistent with the specifications described in ISO New England Planning and Operating Procedures.

II.48.2 Establishing NR Capability and NI Capability

(a) NR Capability shall be established in the manner described in Schedules 22 and 23 of this OATT.

Summer and winter NR Capability for a Generating Facility shall be established as the Generating Facility's maximum net MW electrical output at the Point of Interconnection at an ambient temperature at or above 50 degrees F for summer and at or above 0 degrees F for winter. A Generating Facility's summer and winter NR Capability shall be equal to or greater than its summer and winter CNR Capability, respectively.

(b) NI Capability shall be established as follows: For an External ETU with NI Interconnection Service pursuant to Schedule 25 of this OATT, summer and winter NI Capability shall be established as the maximum net MW electrical capability at the Point of Interconnection and shall not exceed applicable seasonal equipment ratings determined pursuant to industry standards and consistent with the specifications described in ISO New England Planning and Operating Procedures. An External ETU's summer and winter NI Capability shall be equal to or greater than its summer and winter CNI Capability, respectively.

II.48.3 Reductions to CNR Capability and CNI Capability: CNR Capability and CNI Capability shall be reduced as follows upon partial or full exit from the Forward Capacity Market as a result of any of the following actions: (1) a voluntary or mandatory termination pursuant to Section III.13.3.4A of the Tariff results in a reduction to summer and winter CNR Capability (or summer and winter CNI Capability) equal to the respective reduction to summer and winter Qualified Capacity described in III.13.3.4A; (2) a failure to operate commercially for a period of three calendar years resulting in retirement pursuant to Section III.13.2.5.2.5.3(d) of the Tariff results in a reduction of summer and winter CNR Capability (or summer and winter CNI Capability) to zero; (3) a full exit from the Forward Capacity Market as the result of the operation of a Retirement De-List Bid or a Permanent De-List Bid, described in Section

III.13.2.5.2.5.3 of the Tariff, and/or a substitution auction demand bid, described in Section III.13.2.8 of the Tariff, results in a reduction of summer and winter CNR Capability (or summer and winter CNI Capability) to zero; and a partial exit from the Forward Capacity Market as the result of the operation of a Retirement De-List Bid or a Permanent De-List Bid and/or a substitution auction demand bid results in a reduction of CNR Capability (or CNI Capability) as described below.

(a) Summer CNR/CNI Capability Following Partial Exit Resulting From De-List Bid and/or

Substitution Auction Demand Bid: Following the partial permanent exit from the Forward Capacity Market of a Generating Capacity Resource (or an Import Capacity Resource associated with an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the summer CNR Capability of the associated Generating Facility (or the summer CNI Capability of the associated External ETU) shall be reduced to equal (1) the associated summer Qualified Capacity (or, where there is more than one Import Capacity Resource associated with an External ETU, the sum of the associated summer Qualified Capacities) for the Forward Capacity Auction in which the partial exit occurred minus (2) the MW quantity that exited the Forward Capacity Market.

(b) Winter CNR/CNI Capability Following Partial Exit Resulting From De-List Bid and/or

Substitution Auction Demand Bid: Following the partial permanent exit from the Forward Capacity Market of a Generating Capacity Resource (or an Import Capacity Resource associated with an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the winter CNR Capability of the associated Generating Facility (or the winter CNI Capability of the associated External ETU) shall be reduced to equal (1) the Generating Facility's summer CNR Capability (or the External ETU's summer CNI Capability) reduced as described in subsection (a) of this Section II.48.3 multiplied by (2) the ratio of the associated winter Qualified Capacity (or, where there is more than one Import Capacity Resource associated with an External ETU, the sum of the associated winter Qualified Capacities) to the associated summer Qualified Capacity (or, where there is more than one Import Capacity Resource associated with an External ETU, the sum of the associated summer Qualified Capacities) for the Forward Capacity Auction in which the partial exit occurred; provided that a different winter CNR Capability value may be established to account for winter capability remaining after the removal of summer capability if the ISO determines that engineering information submitted no later than 10 calendar days after the conclusion of the Forward Capacity Auction supports the use of the different value.

II.48.4 Reductions to NR Capability and NI Capability: NR Capability and NI Capability shall be reduced as follows for Generating Facilities and External ETUs as a result of any of the following actions:

(1) a partial or full voluntary retirement results in partial or full reduction of NR Capability or NI Capability; (2) a failure to operate commercially for a period of three calendar years (as described in Section III.13.2.5.2.5.3(d) of the Tariff) results in a reduction of NR Capability or NI Capability to zero; (3) a full retirement of a Generating Facility or an External ETU as the result of the operation of a Retirement De-List Bid or an unconditional Permanent De-List Bid (as described in Section III.13.1.2.4.1(a) and Section III.13.2.5.2.5.3 of the Tariff) and/or a substitution auction demand bid (as described in Section III.13.2.8 of the Tariff) results in a reduction of NR Capability or NI Capability to zero; and a partial retirement as the result of the operation of a Retirement De-List Bid or an unconditional Permanent De-List Bid and/or a substitution auction demand bid results in a reduction of NR Capability or NI Capability as described below.

(a) Summer NR/NI Capability Following Partial Retirement Resulting From De-List Bid and/or

Substitution Auction Demand Bid: Following the partial retirement of a Generating Facility (or an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the summer NR Capability of the Generating Facility (or summer NI Capability of the External ETU) shall be reduced to equal (1) the Generating Facility's summer CNR Capability (or the External ETU's summer CNI Capability) reduced as described in subsection (a) of Section II.48.3 multiplied by (2) the ratio of the Generating Facility's summer NR Capability (or the External ETU's summer NI Capability) prior to the Forward Capacity Auction to the Generating Facility's summer CNR Capability (or the External ETU's summer CNI Capability) prior to the Forward Capacity Auction.

(b) Winter NR/NI Capability Following Partial Retirement Resulting From De-List Bid and/or

Substitution Auction Demand Bid: Following the partial retirement of a Generating Facility (or an External ETU) as a result of the operation of a de-list bid and/or a substitution auction demand bid, the winter NR Capability of the Generating Facility (or winter NI Capability of the External ETU) shall be reduced to equal (1) the Generating Facility's summer NR Capability (or the External ETU's summer NI Capability) reduced as described in subsection (a) of this Section II.48.4 multiplied by (2) the ratio of the Generating Facility's winter NR Capability (or the External ETU's winter NI Capability) prior to the Forward Capacity Auction to the Generating Facility's summer NR Capability (or the External ETU's summer NI Capability) prior to the Forward Capacity Auction; provided that a different winter NR Capability value may be established to account for winter capability remaining after the removal of summer capability if the ISO determines that engineering information submitted

no later than 10 calendar days after the conclusion of the Forward Capacity Auction supports the use of the different value.

However, if the resulting winter NR Capability (or winter NI Capability) is less than the Generating Facility's winter CNR Capability (or External ETU's winter CNI Capability), the winter NR Capability (or winter NI Capability) will be set equal to the winter CNR Capability (or winter CNI Capability).

SCHEDULE 11
GENERATOR INTERCONNECTION RELATED UPGRADE AND ELECTIVE
TRANSMISSION INTERCONNECTION RELATED UPGRADE COSTS

- (1) Classification of Generating Projects. The treatment for purposes of this OATT of the Generator Interconnection Related Upgrade costs with respect to the facilities needed for the interconnection of a particular new or modified generating unit project in accordance with Section II.47 of this OATT depends on whether the project is a Category A Project, a Category B Project or a Category C Project, as follows:

- (a) A Category A Project is one whose Generator Owner committed to pay for upgrade costs on or after October 1, 1998 and prior to October 29, 1998 and has filed a petition with the Commission requesting that the costs associated with the interconnection of its generation project be determined in accordance with Schedule 11 of this OATT, as evidenced either by the filing of an executed Transmission Service Agreement or by the filing of an unexecuted Transmission Service Agreement.
- (b) A Category B Project is any one whose Generator Owner committed to pay for upgrade costs on or after October 29, 1998 and prior to June 22, 1999, as evidenced either by the filing of an executed Transmission Service Agreement or by the filing of an unexecuted Transmission Service Agreement. To the extent not otherwise covered by the preceding sentence, a Category B Project includes any one (other than a Category A Project) on which the Generator Owner had expended at least \$5,000,000, including amounts due under irrevocable commitments, as of June 22, 1999. Category B Projects are those projects listed as Category A Projects in Section 1(a) of this Schedule 11, but no longer qualify as Category A Projects, that had expended at least \$5,000,000 (including amounts due under irrevocable commitments) as of June 22, 1999, as reasonably determined by the ISO, as well as the following projects:

Sithe, Mystic Station Expansion

Sithe Edgar Station Expansion, Fore River

Sithe, West Medway

PG&E, Generating Lake Road Generating

PDC, Milford Power
PDC, Meriden Power
Reliant Energy, Hope Rhode Island
IDC FPL, Bellingham
Constellation, Merrimack (Nickel Hill) Energy Project
SEI, Canal Re-powering
ANP, Bellingham
ANP, Blackstone
Cabot, Island End
Calpine, Westbrook Power
HQ, Bucksport
AES, Londonderry
ConEd, Newington
Mirant, Kendall Repowering Project

- (c) A Category C Project is any project which is not a Category A Project or a Category B Project.
- (2) Direct Interconnection Transmission Costs. Direct Interconnection Transmission Costs shall mean the cost of facilities constructed for sole use of the Generator Owner that are not PTF. One hundred percent of Direct Interconnection Transmission Costs shall be the responsibility of the Generator Owner whether the Generator Owner's project is a Category A Project, a Category B Project or a Category C Project.
- (3) Treatment of Category A Project Transmission Costs. The allocation of costs of Generator Interconnection Related Upgrades for Category A Projects will be determined as follows:
- (d) One-half of the Shared Amount (as defined below) of the capital cost of the PTF upgrade shall constitute Pool Supported PTF and be included in Annual Transmission Revenue Requirements under Attachment F to this OATT. The Generator Owner shall be obligated to pay, in addition to the Direct Interconnection Transmission Costs, the other half of the Shared Amount of the capital cost of the PTF upgrade and all of the capital costs in excess of the Shared Amount, and any applicable tax gross-up amounts, and such amounts to be paid by the Generator Owner shall not be included in Annual Transmission

Revenue Requirements under Attachment F to this OATT. Following completion of the construction or modification of the Generator Interconnection Related Upgrade, the Generator Owner shall be obligated to pay its pro rata share of all of the annual costs (including cost of capital, federal and state income taxes, O&M and A&G expenses, annual property taxes and other related costs) which are allocable to such upgrade, pursuant to the interconnection agreement with the individual PTO or its designee which is responsible for the construction or modification, and such agreement may be filed with the Commission by the PTO, either signed or unsigned, on its own or at the request of the Generator Owner.

- (e) In determining the cost responsibilities related to a Generator Interconnection Related Upgrade to PTF, the ISO may determine that all or a portion of the proposed facilities exceed regional system, regulatory or other public requirements. In such a case, the ISO shall determine the amount of the excess costs of the Generator Interconnection Related Upgrade which shall be borne by the entity which is responsible for requiring such excess costs, and the excess costs shall not be included in the calculation of the Shared Amount.
- (f) The Shared Amount of the capital cost of the Generator Interconnection Related Upgrade of PTF shall be initially determined as of the time that the System Impact Study agreement is executed by all parties and the Generator Owner has paid the cost of the study (such initial determination to be based on the estimated cost of the Generator Interconnection Related Upgrade, subject to later adjustment as set forth below) subject to truing up the KW element of the following formula upon completion of the Generator Interconnection Upgrade, and shall be the lesser of (1) the full actual capital cost of the Generator Interconnection Related Upgrade of PTF (excluding any costs which are determined to be excess costs in accordance with paragraph (b) above) or (2) the amount determined in accordance with the following formula:

$$P = (KW \times R \times 0.50) / C$$

in which:

P is the maximum amount to be shared;

- KW in the case of a generating unit, is the actual demonstrated net capability of the new generating unit or increase in the capacity of an existing generating unit corrected to 50°F in kilowatts. If winter operating conditions are shown in the System Impact Study and/or application under Section 3.9 of Section I of the Transmission, Markets and Services Tariff to require additional transmission reinforcements beyond those reinforcements required for summer operating conditions, the net capability of the unit will be corrected to an ambient air temperature of 0°F;
- R is the Pool PTF Rate in effect on the Compliance Effective Date, which is \$15.57 per kilowatt year, adjusted to reflect compliance with the April 5, 1999 Settlement Agreement, approved by the Commission by order dated July 30, 1999 in Docket Nos. OA97-237-000, et al.; and
- C is the weighted average carrying charge factor of all of the PTOs which own PTF, determined, as of the Compliance Effective Date, in accordance with Attachment F to the OATT, which is 15.87 percent, adjusted to reflect compliance with the April 5, 1999 Settlement Agreement, approved by the Commission by order dated July 30, 1999 in Docket Nos. OA97-237-000, et al.

(g) All payments required hereunder shall be determined initially on an estimated basis, and then adjusted after the appropriate portion of the construction or modification costs has been reflected in OATT rates in the first adjustment of OATT rates after the upgrade has been placed in commercial operation.

(h) The provisions in this Section (3) with respect to allocation of costs for Generator Interconnection Related Upgrades of PTF for Category A projects are subject to further clarifications and/or modifications to reflect the outcome of proceedings in Commission Docket Nos. ER98-3853 (including any court appeals) and EL00-62-000, et al., and further Commission orders with respect thereto.

(4) Treatment of Category B Project Transmission Costs. The costs of Generator Interconnection Related Upgrades in connection with a Category B Project shall be allocated in the same way as Generator Interconnection Related Upgrades for Category A projects.

- (5) Treatment of Category C Project Transmission Costs. If a Generator Interconnection Related Upgrade or an Elective Transmission Upgrade Interconnection Related Upgrade (collectively, “Upgrade”) is required in order to satisfy the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard (or its predecessor standard) (collectively, “Interconnection Standards”) in connection with a Category C Project, the Generator Owner or Elective Transmission Upgrade Interconnection Customer (“ETU IC”), as applicable, shall be obligated to pay its share 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 the ISO determines that a particular 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, as detailed in the ISO New England Planning Procedures.

The cost responsibility for upgrades identified as being needed to support requests for Regional Transmission Service under Sections II.19 and II.34 of this OATT shall be determined and allocated to the requesting Transmission Customer in accordance with the rules below.

(i) Upgrades that are Cluster Enabling Transmission Upgrades (“CETU”)

If the Upgrade consists of a Cluster Enabling Transmission Upgrade that was identified under a CRPS and is not included in Direct Interconnection Transmission Costs, then the costs to be paid by each Generator Owner or ETU IC (that is not the ETU IC for an ETU that is taking the place of a CETU, or portion thereof, pursuant to Section 7.3 of Schedule 22, Section 7.3 of Schedule 23, or Section 7.3 of Schedule 25, Section II of the Tariff) with an Interconnection Request included in the Cluster that requires the CETU to meet the applicable Interconnection Standard shall be the total costs of such Upgrade multiplied by the ratio of the Generator Owner or ETU IC’s respective distribution impact divided by the total distribution impact of all the Interconnection Requests in the Cluster that require the CETU based on the following distribution factor cost allocation methodology.

Distribution Factor Cost Allocation Methodology: The distribution factor is the measure of responsiveness or change in electrical loading on system facilities due to a change in electric power transfer from one part of the electric system to another, expressed in

percent of the change in power transfer. The calculation of the distribution factor of the Upgrade identified as a CETU shall: (i) use the final Transitional Cluster Study case or final Cluster Study case, as applicable, for summer peak load conditions; (ii) use the pre-contingency condition (i.e., no contingencies will be modeled); and, (iii) be conducted using a transfer from the injection point associated with the respective Generator Owner or ETU IC's facility to New England Control Area load. The distribution impact of each Generator Owner or ETU IC with an Interconnection Request included in the Cluster that requires the CETUs shall be determined by multiplying the Generator Owner or ETU IC's respective distribution factor, as calculated above, by the Summer Network Resource Capability in the case of a Generating Facility or the absolute value of the higher of the requested bidirectional capability that results in a positive distribution factor in the case of an Elective Transmission Upgrade. The total distribution impact of all the Interconnection Requests in the Cluster that require the CETU shall be the sum of all of the individual distribution impacts for the Generator Owners and ETU ICs with Interconnection Requests included in the Cluster that require the CETU.

Where cost allocation for an Upgrade identified as necessary for Interconnection Requests that require a CETU cannot be determined using the distribution factor cost allocation methodology (e.g., a dynamic reactive device, or a switching station), each Generator Owner or ETU IC with an Interconnection Request included in the Cluster that requires the CETU to meet the applicable Interconnection Standard shall be obligated to pay the costs of such Upgrade based upon its pro rata megawatt share of the Interconnection Requests included in the Cluster to be determined using the Summer Network Resource Capability in the case of a Generating Facility and the absolute value of the higher of the requested bidirectional capability in the case of an Elective Transmission Upgrade.

(ii) **Non-CETU Upgrades**

- (1) For Network Upgrades identified in the Transitional Cluster Study, a Cluster Study or Cluster Restudy, the share of costs to be paid by each Generator Owner or ETU IC with an Interconnection Request included in the Cluster shall be as follows:
 - (a) Substation Network Upgrades, including switching stations, shall be allocated first per capita for each Interconnection Facility interconnecting to the substation at the same voltage level, and then per capita to each Generating Facility or ETU sharing the Interconnection Facility.
 - (b) System Network Upgrades shall be allocated based on the proportional impact of each individual Generating Facility or ETU in the Cluster on the need for a specific Network Upgrade, as determined by a proportional impact analysis conducted by the ISO in accordance with the method set forth in this Schedule 11 and the ISO New England Planning Procedures.
 - (i) System Network Upgrades comprising new or upgrades to transmission lines shall be allocated to each Generator Owner or ETU IC that has a greater than three percent distribution impact (in the pre-upgrade case) for the most limiting contingency for each identified overload using a proportional impact based on: (a) the requested summer Network Resource Capability or Capacity Network Resource Capability in the case of a Generating Facility or the equivalent capability of an ETU and (b) the higher of the Network Resource case impact or the Capacity Network Resource impact. The distribution factor for the Network Resource case shall be calculated by transferring from the Generating Facility or ETU to New England load under the most limiting contingency condition, and for the Capacity Network Resource case, by transferring from the Generating Facility or ETU to the Load Zone under the most limiting contingency condition.
 - (ii) System Network Upgrades comprising reactive devices or any substation additions beyond the Point of Interconnection shall be allocated based on a proportional impact method and threshold, as detailed in the ISO New England Planning Procedures.

(iii) Interconnection Facilities

- (1) The costs of any needed Interconnection Facilities that are not part of a CETU in the Transitional Cluster Study, a Cluster Study or Cluster Restudy will be directly assigned to each Generator Owner and ETU IC using such facilities. Where Generator Owners and ETU ICs in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities and ETUs sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility and ETU basis), unless the Generator Owners and ETU ICs mutually agree to a different cost sharing arrangement and communicate that arrangement in writing to ISO and applicable PTO(s).

Following completion of the construction or modification, the Generator Owner or ETU IC shall be obligated to pay its share of the annual costs (including federal and state income taxes, O&M and A&G expenses, annual property taxes and other related costs) which are allocable to the Upgrade, pursuant to the interconnection agreement (or support agreement) with the individual PTO or its designee which is responsible for the construction or modification, and such agreement may be filed with the Commission by the PTO, either signed or unsigned, on its own or at the request of the Generator Owner or ETU IC.

- (6) Treatment of Elective Transmission Upgrades for Generating Units. If a Generator Owner has requested an Elective Transmission Upgrade pursuant to Section II.47 of this OATT in connection with a new or materially changed generation unit, the Generator Owner shall be subject to the cost, credit assurance and contract obligations set forth in Section II.47 of this OATT and Schedule 12 to this OATT for Elective Transmission Upgrades.
- (7) Contract and Credit Requirements. If a Generator Interconnection Related Upgrade or an Elective Transmission Upgrade Interconnection Related Upgrade (collectively, “Upgrade”) is required, the Generator Owner or Elective Transmission Upgrade Interconnection Customer (“ETU IC”) requesting such upgrade, at the request of the PTO or its designee responsible for effecting the construction or modification, shall be obligated to pay to the PTO or its designee responsible for effecting the Upgrade an amount equal to its share of the estimated cost of the construction at one time or in monthly or other periodic installments, including, without limitation, all costs associated with acquiring land, rights of way easements, purchasing equipment and materials,

installing, constructing, interconnecting, and testing the facilities; O&M and engineering costs; all related overheads; and any and all associated taxes and government fees. In addition to, or in lieu of said payment, the affected PTO or its designee may require the Generator Owner or ETU IC to provide, as security for its obligation to pay any unfunded balance of the construction costs, a letter of credit or other reasonable form of security acceptable to the PTO or its designee that will be responsible for the construction equivalent to the cost of the upgrade including taxes and consistent with relevant commercial practices, as established by the Uniform Commercial Code. As soon as reasonably practical, but in any event within 180 days after completion of the construction or modifications, or as otherwise mutually agreed, the PTO or its designee responsible for the construction or modification will determine the difference, if any, between the estimated cost already paid by the Generator Owner or ETU IC to the PTO or its designee responsible for the construction or modification and its share of the actual cost of the construction or modification, and will either receive from the Generator Owner or ETU IC, with Interest (if the sum paid is insufficient) or pay to the Generator Owner or ETU IC, with Interest (if the sum paid is surplus) the difference; provided that if, at the time such determination is made, items of construction that remain to be completed and/or some construction costs have not been invoiced and paid, the PTO or its designee responsible for the construction or modification shall continue to be entitled to recover from the Generator Owner or ETU IC the Generator Owner or ETU IC's share of the costs of such remaining items and may retain a reserve to cover such items. Furthermore, the PTO shall release any letter of credit or other security instrument received by the PTO, up to the amount allowed to be recovered through the PTO's Annual Transmission Revenue Requirement for Category A and B Projects, no later than sixty (60) days after the later of the reflection of such costs in the regional rates and the commercial operation of the Generating Facility or Elective Transmission Upgrade addition or modification. To the extent Upgrades, or any portion thereof, are completed in a calendar year, PTO will use their best efforts to reflect such facilities in their Annual Transmission Revenue Requirements calculated on the basis of that year. That portion of the construction or modification costs or deposit paid by the Generator Owner or ETU IC may, by mutual agreement of the PTO and the Generator Owner or ETU IC, either be retained by the PTO, or be refunded to the Generator Owner or ETU IC upon the Generator Owner or ETU IC executing a contract with the PTO obligating the Generator Owner or ETU IC to pay the PTO the ongoing transmission revenue requirement associated with its share of the Upgrade, including but not limited to cost of capital, federal and state income taxes, O&M and A&G costs, annual property taxes and all other related costs, and providing the PTO with an irrevocable letter of credit or other form of security acceptable to the PTO. In the

event the Generator Owner or ETU IC's portion of the construction or modification costs is retained by the PTO or its designee in accordance with the preceding sentence, the Generator Owner or ETU IC will be obligated (i) to pay the federal and state income taxes required to be paid by the PTO with respect to the retained amount, and (ii) to pay annually its percentage of the O&M and A&G costs, annual property taxes and all other related costs, except for those costs required to be paid under (i) or any costs that are retained by the PTO in accordance with the interconnection agreement. If the Generator Owner or ETU IC for whatever reason goes out of business, or otherwise abandons its Generating Facility or Elective Transmission Upgrade project and the Upgrade has already been partially or completely constructed, the Generator Owner or ETU IC shall be responsible for all of the unrecovered ongoing costs of the upgrade that would not have been incurred but for the proposed generation or ETU project. Nothing contained herein shall prevent the PTO or its designee responsible for the construction or modification and the Generator Owner or ETU IC from negotiating other methods for providing financial security associated with the cost of an upgrade deemed acceptable to the PTO or other entity. Subject to the foregoing, the interconnection and support agreements for an Upgrade may specify the basis for continued support of such upgrade in the event of the cancellation of the project due to a failure to obtain regulatory approvals or permits or required rights of way or other property, or action to terminate the project before its completion for whatever reason and any other matters.

Interest payable hereunder shall be calculated in accordance with Section II.8.3 of the OATT.

SCHEDULE 22

LARGE GENERATOR INTERCONNECTION PROCEDURES

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SECTION I. DEFINITIONS

The definitions contained in this section are intended to apply in the context of the generator interconnection process provided for in this Schedule 22 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under this Schedule 22. Capitalized terms in Schedule 22 that are not defined in this Section I shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this LGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this LGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.7 of this LGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if Interconnection Customer were to withdraw the Interconnection Request for the

Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by Interconnection Customer to interconnect its Large Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff. The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster

Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this LGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement (“E&P”) Agreement shall mean an agreement that authorizes Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer’s device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer’s Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning

and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner, that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Large Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this LGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's

Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy, or the Cluster Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of this LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this LGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this LGIP, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service

for all or part of a Generating Facility's capability. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the LGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Interconnection System Impact Study, the Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, the Optional Interconnection Study, and the Material Modification assessment, described in this LGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, the Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this LGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this LGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by 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 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 Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 10 to this LGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this LGIP that is made among Interconnecting Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Capability Interconnection Standard (“NC Interconnection Standard”) shall mean the minimum criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource (“NR”) shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability (“NR Capability”) shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service (“NR Interconnection Service”) shall mean the Interconnection Service selected by Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer’s NR Interconnection Service shall be solely for the megawatt amount of the NR Capability requested pursuant to Section 3.1 of this LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this LGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating

Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that Interconnection Customer holds a valid written leasehold or other

contractual interest in the real property for which new interconnection is sought; (c) that Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement (“LGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in this Schedule 22 to the Tariff.

Standard Large Generator Interconnection Procedures (“LGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in this Schedule 22 to the Tariff.

Study Case shall have the meaning specified in Sections 7.3 and 7.5 of this LGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an

Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for a Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Capacity Network Resource Group Study (“Transitional CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this LGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 5 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 6 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by System Operator to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Serial Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this LGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Large Generator Interconnection Procedures.

The LGIP and LGIA shall apply to Interconnection Requests pertaining to Large Generating Facilities. Except as expressly provided in the LGIP and LGIA, nothing in the LGIP or LGIA shall be construed to limit the authority or obligations that the Interconnecting Transmission Owner or System Operator, as applicable, has with regard to ISO New England Operating Documents.

2.2. Comparability.

The System Operator shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. The System Operator and Interconnecting Transmission Owner shall process and analyze Interconnection Requests from all Interconnection Customers, regardless of whether the Generating Facilities are owned by the Interconnecting Transmission Owner, its subsidiaries or Affiliates, or others.

2.3 Base Case Data.

System Operator shall maintain Base Case power flow, short circuit and stability databases, including all underlying assumptions, and contingency lists on a secured location on the System Operator's website. For the purposes of this provision, Base Case Data may include the electromagnetic transient network model that does not include proprietary electromagnetic transient equipment models. System Operator shall provide access to such information located on a secured location on the System Operator's website, subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy as well as any other applicable requirement under Applicable Laws and Regulations regulating disclosure or confidentiality of such information. System Operator shall maintain network models and underlying assumptions on a secured location on the System Operator's website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection Study and be representative of current system conditions as of the most recent Interconnection Study. The databases and lists addressed in this Section 2.3, hereinafter referred to as Base Cases, shall include all generation projects and transmission projects that are proposed for the New England Transmission System and any Affected System or Internal Affected System and for which a transmission expansion plan has been submitted and approved by the applicable authority and which, in the sole judgment of the System Operator, may have an impact on the Interconnection Request. The Base Cases shall also include generation projects that are not participating in the System Operator's interconnection process, but are

expected to achieve approval pursuant to Section I.3.9 of the Tariff within 90 days from the date of the creation of the Base Cases and for which steady state, short circuit, stability and electromagnetic transient network models for the generation projects and any associated system upgrades have been provided to the System Operator. Interconnection Customer, where applicable, shall provide Base Case Data to the Interconnecting Transmission Owner and System Operator to facilitate required Interconnection Studies.

System Operator shall provide a link to the secured location on its website that contains the information required under this Section 2.3 on System Operator's OASIS site. System Operator is permitted to require that Interconnection Customers or their third party consultants, OASIS site users, and users of the secured location on System Operator's website sign a confidentiality agreement before the release of information governed by Section 13.1 or the ISO New England Information Policy, or the release of any other information that is commercially sensitive or Critical Energy Infrastructure Information.

2.4 No Applicability to Transmission Service.

Nothing in this LGIP shall constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

2.5 Time Requirements.

Parties that must perform a specific obligation under a provision of the Standard Large Generator Interconnection Procedure or Standard Large Generator Interconnection Agreement within a specified time period shall use Reasonable Efforts to complete such obligation within the applicable time period. A Party may, in the exercise of reasonable discretion and within the time period set forth by the applicable procedure or agreement, request that the relevant Party consent to a mutually agreeable alternative time schedule, such consent not to be unreasonably withheld.

SECTION 3. INTERCONNECTION REQUESTS.

3.1 General.

To initiate an Interconnection Request, an Interconnection Customer must comply with all of the requirements set forth in Section 3.4.1. Interconnection Customer shall submit a separate Interconnection

Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request.

Within three (3) Business Days after the close of the Cluster Request Window, System Operator shall submit a copy of all valid Interconnection Requests received to Interconnecting Transmission Owner(s).

At Interconnection Customer's option, System Operator, Interconnection Customer, Interconnecting Transmission Owner, and any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of Clustering of Interconnection Requests, System Operator, in its sole discretion, may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. System Operator shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement of the involved parties.

System Operator shall consider requests for Interconnection Service below the Large Generating Facility capability. An Interconnection Customer that submits an Interconnection Request for Interconnection Service below the Large Generating Facility capability shall include in the Interconnection Request the proposed control technologies to restrict the Large Generating Facility's output to the requested Interconnection Service levels. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of determining necessary Interconnection Facilities, Network Upgrades, and associated costs, and the requests shall be studied at the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system, with the study costs borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or

requested to be filed unexecuted, LGIA.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in ISO New England Planning Procedures.

Unless otherwise stated, all Commercial Readiness Deposits that must be submitted to the System Operator under this LGIP must be (a) delivered to the System Operator's bank account by electronic transfer, (b) through the provision and maintenance of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Letter of Credit Issuers, as described on the System Operator's public website, (c) a surety bond in a form and from an institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Surety Bond Issuers, as described on the System Operator's public website or (d) a combination thereof. Each letter of credit or surety bond must specify the Interconnection Request to which it corresponds. Further, notwithstanding Section 5 of this LGIP to the contrary, an Interconnection Customer may replace the acceptable forms of Commercial Readiness Deposits provided therein with a surety bond any time after such form is deemed acceptable by the System Operator. All costs associated with obtaining a letter of credit or surety bond shall be borne by Interconnection Customer. In the event that System Operator identifies an administrative deficiency with a submitted letter of credit or surety bond, Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

If the System Operator removes the financial institution from the list, Interconnection Customer shall have ten (10) Business Days from the date on which System Operator provides notice of such removal to replace the letter of credit or surety bond with a letter of credit or surety bond from a financial institution on the list. The System Operator may extend this cure period in its sole discretion. Failure to cure a deficiency within the periods prescribed in this Section 3.1 shall result in the withdrawal of the Interconnection Request pursuant to Section 3.7 of the LGIP without further opportunity to cure. System Operator shall only provide refunds and/or distribute funds held as part of a Commercial Readiness Deposit to the extent that there are sufficient funds available from the applicable form of financial security.

All other deposits that must be submitted to the System Operator under this LGIP must be paid in cash and delivered to the System Operator's bank account by electronic transfer within the period specified in the respective provision.

A deposit will not be considered received until it is in the System Operator's bank account or, in the case of a letter of credit, or surety bond, provided as a Commercial Readiness Deposit, the letter of credit or surety bond is accepted by System Operator. Deposits that must be submitted to the Interconnecting Transmission Owner shall be submitted in a form acceptable to the Interconnecting Transmission Owner.

3.2 Type of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either CNR Interconnection Service or NR Interconnection Service, as described in Sections 3.2.1 and 3.2.2 below.

An Interconnection Customer that meets the requirements to obtain CNR Interconnection Service shall obtain NR Interconnection Service up to the NR Capability upon completion of all requirements for NR Interconnection Service, including all necessary upgrades. Upon completion of all requirements for the CNR Interconnection Service, Interconnection Customer shall also receive CNR Interconnection Service for CNR Capability. An Interconnection Customer that meets the requirements to obtain NR Interconnection Service shall receive NR Interconnection Service for Interconnection Customer's NR Capability

3.2.1 Capacity Network Resource Interconnection Service

3.2.1.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which CNRs are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated as a CNR, and to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the CNR Capability or as otherwise provided in the Tariff, on the same basis as existing CNRs, and to be studied as a CNR on the assumption that such a designation will occur.

3.2.1.2 The Studies.

All Interconnection Studies for CNR Interconnection Service shall assure that Interconnection Customer's Large Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit. For Interconnection Requests seeking to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024, the CNR Group Study shall assure that Interconnection Customer's Large Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other CNRs and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures. For all other Interconnection Requests, the intra-zonal deliverability analysis shall be performed as part of the Transitional Cluster Study or Cluster Study. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.1.3 Milestones for CNR Interconnection Service.

In addition to the requirements set forth in this LGIP, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service that seeks to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024 shall complete the following milestones prior to receiving CNR Interconnection Service for the CNR Capability, such milestones to be specified in Appendix B of the LGIA, as either completed or to be completed: (i) submit the necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date (except as modified pursuant to Sections 3.2.3 or 4.4 of this LGIP), in accordance with the provisions of Section III.13 of the Tariff; (ii) participate in a CNR Group Study for the Forward Capacity Auction associated with the requested Generating Facility's Commercial Operation Date; (iii) qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff; and (iv) complete a re-study of the applicable Interconnection Study and CNR Group Study after the Forward Capacity Auction, Reconfiguration Auction, or bilateral transaction through which Interconnection Customer received a Capacity Supply Obligation to determine the cost responsibility for facilities and upgrades necessary to

accommodate the Interconnection Request. The re-study shall include those CNR Interconnection Service or CNI Interconnection Service Interconnection Requests with a higher Queue Position that cleared and shall exclude any upgrades that are no longer necessary as a result of existing capacity that will be retired as of the start of the Capacity Commitment Period for which the resource has received a Capacity Supply Obligation. With respect to (iv) above, if an Interconnection Study Agreement has been executed, the Interconnection Study associated with the Interconnection Study Agreement shall include the necessary analysis that would otherwise have been performed in a re-study. If the original Interconnection Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Study Agreement. If an LGIA has been either executed or filed with the Commission in unexecuted form then the last Interconnection Study completed for Interconnection Customer under this LGIP shall be subject to re-study. The Appendices to the LGIA shall be amended (pursuant to Article 30 of the LGIA) to reflect CNR Capability and the results of the re-study.

After September 4, 2024, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service shall complete the requirements in this LGIP prior to receiving CNR Interconnection Service. Interconnection Customer shall complete the intra-zonal deliverability assessment by electing to participate in the Transitional CNR Group Study, Transitional Cluster Study, or submit a new Interconnection Request for CNR Interconnection Service during the applicable Cluster Entry Window to participate and complete a Cluster Study. Any Interconnection Customer with a valid Interconnection Request for CNR Interconnection Service that has a completed Interconnection System Impact Study on or before July 1, 2024 , but that has not received a Capacity Supply Obligation through the eighteenth Forward Capacity Auction or an earlier auction may: 1) seek to complete the process for obtaining CNR Interconnection Service through the process described in Section III.13.1.1.2A of the Tariff or 2) seek to complete the process for obtaining CNR Interconnection Service through the Transitional Cluster Study. Notwithstanding any other provision of the Tariff, an Interconnection Customer may seek to participate in both the process described in Section III.13.1.1.2A of the Tariff and the Transitional Cluster Study simultaneously. If Interconnection Customer achieves CNR Interconnection Service through Section III.13.1.1.2A, it may withdraw from the Transitional Cluster Study without penalty and be refunded any remaining study deposits associated with the Transitional Cluster Study. If Interconnection Customer does not enter, or complete, the process described in either Section III.13.1.1.2A or the Transitional Cluster Study, the System Operator shall reduce Interconnection Customer's Interconnection Request to NR Interconnection Service.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which Network Resources are interconnected under the NC Interconnection Standard. NR Interconnection Service allows Interconnection Customer's Large Generating Facility to participate in the New England Markets, in accordance with the provisions of Market Rule 1, Section III of the Tariff, up to the net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as other Network Resources. Notwithstanding the above, the portion of a Large Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, except pursuant to a new Interconnection Request for CNR Interconnection Service.

3.2.2.2 The Studies.

The Interconnection Studies for an Network Resource shall assure that Interconnection Customer's Large Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit, in accordance with the NC Interconnection Standard and as detailed in the ISO New England Planning Procedures. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.2.3 Milestones for NR Interconnection Service.

An Interconnection Customer with an Interconnection Request for NR Interconnection Service shall complete the requirements in this LGIP prior to receiving NR Interconnection Service.

3.3 Utilization of Surplus Interconnection Service.

Surplus Interconnection Service allows an existing Interconnection Customer to utilize or transfer Surplus Interconnection Service at the Generating Facility's Point of Interconnection once Interconnection Customer has executed the LGIA or requested that the Interconnection Agreement be filed unexecuted. For purposes of Surplus Interconnection Service, the existing Interconnection Customer is referred to as the "Original Interconnection Customer," and the entity requesting Surplus Interconnection Service is referred to as the "Surplus Interconnection Customer." The Original Interconnection Customer or, with written consent of the Original Interconnection Customer, one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the Original Interconnection Customer or one of its affiliates does not exercise this priority, then the Surplus Interconnection Service may be utilized by a third party of the Original Interconnection Customer's choosing and with the Original Interconnection Customer's written consent.

Surplus Interconnection Service may be available for any Unused Capability of Interconnection Service established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for CNR Interconnection Service, any Surplus Interconnection Service may be for existing CNR Interconnection Service or NR Interconnection Service. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for NR Interconnection Service, any Surplus Interconnection Service shall be for NR Interconnection Service. Surplus Interconnection Service is not applicable when a new Interconnection Request for Interconnection Service or Network Upgrades would be required to implement the proposed change to the Original Interconnection Customer's Generating Facility. Surplus Interconnection Service cannot be used to replace a retiring or to repower an existing Generating Facility.

The Original Interconnection Customer shall specify the amount of Unused Capability that is available for use by the Surplus Interconnection Customer's Generating Facility. The total output of the Original Interconnection Customer's Generating Facility plus the Surplus Interconnection Customer's Generating Facility behind the same Point of Interconnection shall be limited to the maximum total amount of Interconnection Service granted to the Original Interconnection Customer as established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. Control technology to restrict the total output of the Original

Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities shall be required in the case where the sum of the maximum output of the Original Interconnection Customer's Generating Facility plus the maximum output of the Surplus Interconnection Customer's Generating Facility exceeds the total amount of Interconnection Service established in the Original Interconnection Customer's Interconnection Agreement. Surplus Interconnection Service shall only be available at the existing Point of Interconnection of the Original Interconnection Customer's Generating Facility.

3.3.1 Surplus Interconnection Service Request

An Original Interconnection Customer or, with the consent of the Original Interconnection Customer, its affiliate or a third party of the Original Interconnection Customer's choosing may request Surplus Interconnection Service by submitting to the System Operator a completed Surplus Interconnection Service Request Application in the form contained in Attachment C to Appendix 1 of the LGIP. The Surplus Interconnection Service Request Application shall be accompanied by the Original Interconnection Customer's written consent for the Surplus Interconnection Customer's use of Unused Capability for Surplus Interconnection Service, and the technical data called for in the form.

Studies for Surplus Interconnection Service may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. The study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Any analyses shall be performed at the Surplus Interconnection Customer's expense.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in System Operator's Planning Procedures.

The Interconnection Agreement for the Original Interconnection Customer's Generating Facility shall be replaced by a new agreement among the System Operator, Interconnecting Transmission Owner, Original Interconnection Customer, and Surplus Interconnection Customer. The agreement shall be in the form of the most currently effective LGIA, modified to reflect the Surplus Interconnection Customer's Generating Facility and the amount of, and the terms for the use of, the Surplus Interconnection Service. The agreement shall be developed and negotiated in accordance with Section 11 of the LGIP, at the Surplus Interconnection Customer's expense.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

System Operator shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests sixty (60) Calendar Days after the conclusion of the three hundred sixty (360) day transition process set out in Section 5.1 of this LGIP. All subsequent Cluster Request Windows shall open sixty (60) Calendar Days after the Cluster Study Results Meeting or Cluster Restudy Results Meeting (as appropriate). System Operator shall provide notice via posting on its public website at least thirty (30) Calendar Days, prior to each respective Cluster Request Window opening.

3.4.1.1 Study Deposits.

Interconnection Customer shall submit to System Operator, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a potentially non-refundable initial deposit of \$50,000, and a refundable study deposit of \$250,000 (for new requests for NR Interconnection Service or CNR Interconnection Service) or \$100,000 (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). System Operator shall apply the initial deposit toward the costs incurred by the System Operator associated with the Interconnection Request, the cost of developing the study agreements and their attachments, and the cost of developing the LGIA. The study deposit shall be applied toward the cost of the Cluster Study.

3.4.2 Initiating an Interconnection Request.

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 LGIP:

- (i) A potentially non-refundable initial deposit of \$50,000,
- (ii) A completed application in the form of Appendix 1 and all information required under its Attachments,
- (iii) All information and deposits required under this Section 3.4, and
- (iv) In the case of a request for CNR Interconnection Service a demonstration of one-hundred percent (100%) Site Control;
- (v) In the case of NR Interconnection Service, a demonstration of no less than one-hundred percent (100%) Site Control or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;
- (vi) Generating Facility capability (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility capability),
- (vii) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.4.1.1 of this LGIP in the form of an irrevocable letter of credit, cash, or a surety bond. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,
- (viii) A Point of Interconnection, and;
- (ix) Whether the Interconnection Request shall be studied for NR Interconnection Service or for CNR Interconnection Service, consistent with Section 3.2 of this LGIP. Upon making this

selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by System Operator until Interconnection Customer provides the required Site Control demonstration for its Generating Facility in the Cluster Study Process.

Interconnection Customers facing qualifying regulatory limitations must demonstrate one hundred percent (100%) Site Control within one hundred eighty (180) Calendar Days of the effective date of the LGIA.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iv-v) of this LGIP. If System Operator determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to System Operator's approval. Absent such, System Operator shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP without further opportunity to cure.

Interconnection Customer does not need to demonstrate Site Control where the Interconnection Request is for a modification to Interconnection Customer's existing Large Generating Facility and Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property. The portions of the deposit of \$50,000 that have not been applied as provided in this Section 3.4.2 shall be refundable if Interconnection Customer executes an LGIA or where the Interconnection Request is withdrawn by Interconnection Customer within ten (10) Business Days of the Cluster Scoping Meeting. Otherwise, any

unused balance of the deposit of \$50,000 shall be non-refundable and applied on a pro-rata basis to offset costs incurred by Interconnection Customers that are subject to re-study, as determined by the System Operator in accordance with the provisions of this LGIP, as a result of the withdrawal of an Interconnection Request within the same Cluster

The expected Initial Synchronization Date of the new Large Generating Facility, of the increase in capacity of the existing Generating Facility, or of the implementation of the Material Modification to the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the System Operator, unless Interconnection Customer demonstrates that such time required to actively engineer, permit and construct the new Large Generating Facility or increase in capacity of the existing Generating Facility or implement the Material Modification to the existing Generating Facility will take longer than the seven year period. Upon such demonstration, the Initial Synchronization Date may succeed the date the Interconnection Request is received by the System Operator by a period of greater than seven (7) years so long as Interconnection Customer, System Operator, and Interconnecting Transmission Owner agree, such agreement shall not be unreasonably withheld.

3.4.3 Acknowledgment of Interconnection Request.

System Operator shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid Interconnection Request until all items in Section 3.4.2 of this LGIP have been received by the System Operator during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this LGIP, the System Operator shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide the System Operator the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, System Operator shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), \$5,000 of the application fee is forfeited to System Operator, and any unspent portion of the

application fee, the study deposit, and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, System Operator shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, all interested Interconnection Customers, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, System Operator may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, System Operator shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The System Operator must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, System Operator shall provide to Interconnection Customer a non-binding, updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this LGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7 of this LGIP) by System Operator, the initial deposit shall be forfeited to the System Operator, and the System Operator shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, System Operator shall initiate the Cluster Study described in Section 7 of this LGIP.

3.4.6 Cluster Study Scoping Meeting.

During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

The purpose of the Scoping Meeting shall be (i) to discuss alternative interconnection options, (ii) to exchange pertinent information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, (iii) to discuss Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, as applicable; (iv) to analyze such information, and (v) to discuss any other information necessary to facilitate the administration of the Interconnection Procedures.

The Parties will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) information regarding general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The Parties will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, System Operator shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement in the form specified by System Operator prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customer.

3.5 OASIS Posting.

3.5.1 OASIS Posting.

The System Operator will maintain on its OASIS a list of all Interconnection Requests in its Control Area. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested (i.e., CNR Interconnection Service or NR Interconnection Service); (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that the System Operator and Interconnecting Transmission Owner jointly file an unexecuted LGIA with the Commission. Before participating in a Scoping Meeting with an Interconnection Customer that is also an Affiliate, the Interconnecting Transmission Owner shall post on OASIS an advance notice of its intent to do so. The System Operator shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to the System Operator's OASIS site subsequent to the meeting between the System Operator, Interconnecting Transmission Owner, and Interconnection Customer to discuss the applicable study results. The System Operator shall also post any known deviations in the Large Generating Facility's Initial Synchronization Date.

3.5.2 Requirements to Post Interconnection Study Metrics

The System Operator will maintain on its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If the System Operator posts this information on its website, a link to the information must be provided on the System Operator's OASIS site. For each calendar quarter, the System Operator must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 of this LGIP.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than two hundred and seventy (270) Calendar Days after the close of the Customer Engagement Window,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study Agreement received by System Operator more than two hundred and seventy (270) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter, from the commencement of the Cluster Study to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(F) Percentage of Cluster Studies exceeding two hundred and seventy (270) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this LGIP.

3.5.2.2 Cluster Restudies Processing Time.

(A) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than (90) Calendar Days after System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies where such System Operator notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the date when System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP to the date when System Operator provided the completed Cluster Restudy to Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Restudy Report to Interconnection Customer,

(F) Percentage of Cluster Restudies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this LGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate after receipt by System Operator of Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by System Operator more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed for the System Operator's Administered Transmission System during the reporting quarter, calculated from the date when System Operator received the executed Interconnection Facilities Study Agreement to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Study completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer,

(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this LGIP.

3.5.2.4 Interconnection Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of any Interconnection Studies or execution of any Interconnection Study Agreements,

(C) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from System Operator's interconnection

queue during the reporting quarter before completion of an Interconnection Facility Study,

(E) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after completion of an Interconnection Facilities Study or after completion of the Cluster Study if the Facilities Study was waived but before execution of an LGIA or Interconnection Customer requests the filing of an unexecuted LGIA,

(F) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after execution of an LGIA or Interconnection Customer requests the filing of an unexecuted, new LGIA,

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when System Operator received the request to withdraw from the queue.

3.5.3 System Operator is required to post on its website the measures in Section 3.5.2.1(A) through Section 3.5.2.4(G) for each calendar quarter within thirty (30) Calendar days of the end of the calendar quarter. System Operator will keep the quarterly measures posted on its website for three (3) calendar years with the first required report to be the first quarter of 2020. If System Operator retains this information on its website, a link to the information must be provided on System Operator's OASIS site.

3.5.4 In the event that any of the values calculated in Sections 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds twenty-five percent (25%) for two (2) consecutive calendar quarters, System Operator will have to comply with the measures below for the next four (4) consecutive calendar quarters and must continue reporting this information until System Operator reports four consecutive calendar quarters without the values calculated in Sections 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding twenty-five percent (25%) for two (2) consecutive calendar quarters:

(i) System Operator must submit a report to the Commission describing the reason for each Cluster Study, Cluster Restudy, or individual Interconnection Facilities Study pursuant to one or more Interconnection Request(s) that exceeded its deadline (*i.e.*, 270, 90 or 180 Calendar Days) for completion. System Operator must describe the reasons for

each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within forty-five (45) Calendar Days of the end of the calendar quarter.

(ii) System Operator shall aggregate the total number of employee hours and third party consultant hours expended towards Interconnection Studies for its Administered Transmission System that quarter and post on its website. If System Operator posts this information on its website, a link to the information must be provided on System Operator's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

3.6 Coordination with Internal Affected Systems.

The System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Internal Affected Systems with Internal Affected Parties and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. The System Operator will include such Internal Affected Parties in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with the System Operator and Interconnecting Transmission Owner in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Interconnection Customer shall be responsible for the costs associated with the studies or portions of studies associated with the Internal Affected Systems, including costs associated with the requirements of Section I.3.9 of the Tariff.

Payment and refunds associated with the costs of such studies will be coordinated between Interconnection Customer and the Internal Affected Party(ies) unless such costs are included in the costs of the Interconnection Study, in which case, the Internal Affected Party(ies) shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the respective Interconnection Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Studies.

The System Operator shall seek the cooperation of all Internal Affected Parties in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Nothing in the foregoing is intended to authorize Interconnection Customer to receive interconnection, related facilities

or other services on an Internal Affected System, and provision of such services must be handled through separate arrangements with Internal Affected Party(ies).

3.6A Coordination with Affected Systems Outside New England Control Area.

System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with System Operator and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

An Interconnecting Transmission Owner in the New England Control Area whose system may be impacted by a proposed interconnection on an Affected System shall cooperate with the System Operator and Affected System to whom a proposed interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Interconnecting Transmission Owner's portion of the New England Transmission System.

3.6A.1 Initial Notification.

System Operator must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, System Operator must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6A.2 Notification of Cluster Restudy.

System Operator must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6A.3 Notification of Cluster Restudy Completion.

Upon the completion of System Operator's Cluster Restudy, System Operator will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, System Operator must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to System Operator, which System Operator will transmit to Interconnecting Transmission Owner and any Affected Parties. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), the System Operator shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Except as otherwise provided elsewhere in this LGIP, upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify the System Operator of its intent to pursue Dispute Resolution, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the System Operator may eliminate Interconnection Customer's Interconnection Request from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to System Operator, Interconnecting Transmission Owner, and any Affected Parties all costs prudently incurred with respect to that Interconnection Request prior to System Operator's receipt of notice described above. Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by System Operator under Section 3.7 of this LGIP, System Operator shall (i) update the OASIS Queue Position posting; and (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP. Except as otherwise provided elsewhere in this LGIP, the System Operator and the Interconnecting Transmission Owner shall refund to Interconnection Customer any refundable portion of Interconnection Customer's study deposit or study payments that exceeds the costs incurred, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations, or arrange to charge to Interconnection Customer any amount of such costs incurred that exceed Interconnection Customer's deposit or study payments, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations. The System Operator and Interconnecting Transmission Owner shall refund

any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, System Operator, subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information, shall provide, at Interconnection Customer's request, all information developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.4.1.1 of this LGIP; or (2) as follows in (a)–(d):

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer shall

be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.

(b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.

(c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

For a single Cluster, System Operator shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. Any Withdrawal Penalty funds collected from the

Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the LGIA or requested the LGIA to be filed unexecuted. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, System Operator will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the *pro forma* LGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA or requesting to have their LGIA filed unexecuted. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with the System Operator's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. System Operator shall post the balance of Withdrawal Penalty funds held by System Operator but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, System Operator shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with the System Operator's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, System Operator will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this LGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an LGIA, or requested the LGIA to be filed unexecuted.

If System Operator's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, System Operator will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). System Operator must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. For the withdrawn Interconnection Customers that System Operator determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, System Operator will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If the System Operator's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, System Operator will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA (or filed unexecuted), as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution (or filing unexecuted) of an LGIA, as described in Section 3.7.1.2.3(b) of this LGIP.

As discussed in Section 3.7.1.2.4 of this LGIP, System Operator will amend executed (or filed unexecuted) LGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the pro forma LGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes, or requests the unexecuted filing of, its LGIA, the System Operator will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 11.5 of the pro forma LGIA, the System Operator will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). System Operator shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; (2) executed an LGIA; or (3) request an LGIA to be filed unexecuted. System Operator will perform the financial impact calculation using the following steps.

First, System Operator must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed or have been requested to be filed unexecuted. Next, System Operator shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

- (1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);
- (2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);
- (3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);
- (4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution or filing of an unexecuted LGIA;
- (5) the restudy to the executed, or filed unexecuted, LGIA (if a restudy was performed after the Interconnection Facilities Study phase and before the execution or filing of an unexecuted LGIA).

If, based on the above calculations, System Operator determines:

- (i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and
- (ii) after the impacted Interconnection Customer's LGIA was executed or filed unexecuted, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade,

then System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 11.5 of the *pro forma* LGIA.

If System Operator determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, System Operator will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this LGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, System Operator will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

System Operator will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. The System Operator will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customer's shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by System Operator.

3.7.1.2.4 Amending LGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted, System Operator must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to the Interconnecting Transmission Owner.

Where an Interconnection Customer executes the LGIA (or requests the filing of an unexecuted LGIA) and is later withdrawn or its LGIA is terminated, System Operator must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to Interconnecting Transmission Owner.

Any repayment by Interconnecting Transmission Owner to Interconnection Customer under Article 11.3 of the pro forma LGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Interconnecting Transmission Owner under Article 11.5 of the pro forma LGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, System Operator or Interconnecting Transmission Owner, as appropriate, will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

System Operator shall identify Contingent Facilities before the execution of the LGIA by reviewing the Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or the list of transmission projects planned or proposed for the New England Transmission System to identify those upgrades that are not yet in service but upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Planned or proposed upgrades will be identified as Contingent Facilities for an Interconnection Request if the absence of those upgrades would cause additional Adverse System Impacts to be identified in the Cluster Study, using the same conditions as those used in the Cluster Study. The thresholds for identification of Adverse System Impact for the purpose of identifying Contingent Facilities will be as follows: (i) an increase in the flow in an element by at least two percent of the element's rating and that causes that flow to exceed that element's appropriate thermal rating by more than two percent where the appropriate thermal rating is the normal rating with all lines in service and the long time emergency or short time emergency rating after a contingency; (ii) a change of at least one percent in a voltage that causes a voltage level that is higher or lower than the appropriate high or low rating by more than one percent; (iii) an increase of at least a one percent change in the short circuit current experienced by an element and that causes a short circuit stress that is higher than an element's interrupting or withstand capability; or (iv) the introduction of a violation of stability criteria. Contingent Facilities that are identified during the evaluation of the Interconnection Request shall be documented in the Cluster Study report or the LGIA for the Large Generating Facility. System Operator shall also provide, upon request of Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time for each identified Contingent Facilities when this information is readily available and not commercially sensitive.

3.9 Penalties for Failure to Meet Study Deadlines.

(1) System Operator or Interconnecting Transmission Owner shall be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this LGIP. The responsibilities of System Operator and Interconnecting Transmission Owner in the conduct of such studies are set forth in the Transmission Operating Agreement and ISO New England Planning Procedures. System Operator or Interconnecting Transmission Owner must pay the penalty for each late Cluster Study, Cluster Restudy, and

Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from System Operator's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. System Operator or Interconnecting Transmission Owner must pay the penalty for a late Affected Systems Study on a pro rata basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. Except as provided below, the study delay penalty for each late study shall be distributed no later than forty-five (45) Calendar Days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: \$1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this LGIP; \$2,000 per Business Day for delays of Cluster Restudies beyond the applicable deadline set forth in this LGIP; \$2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this LGIP; and \$2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this LGIP. The total amount of a penalty assessed under this Section shall not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Interconnection Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that System Operator or Interconnecting Transmission Owner collects for conducting the Affected System Study.

(3) System Operator or Interconnecting Transmission Owner may appeal to the Commission any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) Calendar Days after the late study has been completed. While an appeal to the Commission is pending, System Operator or Interconnecting Transmission Owner shall remain liable for the penalty, but need not distribute the penalty until forty-five (45) Calendar Days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of the Commission's decision on the appeal are no longer pending before the Commission. The Commission may excuse System Operator or Interconnecting Transmission Owner from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the System Operator or Interconnecting Transmission Owner misses the applicable study deadline.

(5) If (a) System Operator or Interconnecting Transmission Owner needs to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for System Operator or Interconnecting Transmission Owner missing the original deadline.

(6) No penalties shall be assessed until the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after the Commission-approved effective date of System Operator's filing made in compliance with the Final Rule in Docket No. RM22-14-000.

(7) System Operator and Interconnecting Transmission Owner must maintain on its OASIS or its public website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, System Operator and Interconnecting Transmission Owner must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. System Operator and Interconnecting Transmission Owner must post on their respective OASIS or website these penalty amounts for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. System Operator and Interconnecting Transmission Owner must maintain the quarterly measures posted on their respective OASIS or website for three (3) calendar years with the first required posting to be the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after System Operator transitions to the Cluster Study Process.

SECTION 4. INTERCONNECTION REQUEST EVALUATION PROCESS.

4.1 Queue Position.

4.1.1 Assignment of Queue Position.

System Operator shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request provided all items required pursuant to the provisions of Section 3.4 of this LGIP are received. A higher Queue Position assigned to an Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of a Cluster initiated earlier in time than an instant Cluster shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Cluster.

Any ongoing CSIS or CFACs as of June 13, 2024 shall include the Interconnection Requests that were identified as eligible to participate in the CSIS and CFAC and met the associated requirements for inclusion in said studies in accordance with Section 4.2 of this LGIP. Interconnection Requests included in such a CSIS or CFAC shall consider a higher queued Interconnection Requests not included in the cluster. A lower queued Interconnection Request that is not included in such a CSIS or CFAC shall consider all of the higher queued Interconnection Requests that are part of the a CSIS or CFAC.

4.1.1 Considerations Related to Achieving CNR Interconnection Service

Participation in a CNR Group Study was required to achieve CNR Interconnection Service and CNI Interconnection Service prior to September 4, 2024.

After September 4, 2024, the Transitional Cluster Study, Transitional CNR Group Study or Cluster Study processes shall be the only means for Generating Facilities subject to the Interconnection Procedures to achieve CNR Interconnection Service.

Interconnection Requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included Base Case for the Transitional Cluster Study or a Cluster Study in order of submission/approval

(the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates) provided that such Section I.3.9 approval was received at least ninety (90) Calendar Days after the formation of the Base Case consistent with Section 2.3 of this LGIP.

4.2 General Study Process.

Interconnection Studies performed using clustering shall be conducted in such a manner to ensure the efficient implementation of the applicable Regional System Plan in light of the New England Transmission System's capabilities for the time period under study and consistent with Good Utility Practice.

The System Operator may use subgroups in the Cluster Study Process. If the System Operator elects to use subgroups in the Cluster Study Process, System Operator must publish the criteria used to define and determine subgroups on its OASIS or public website prior to the opening of a Cluster Request Window.

4.2.1 Triggers for CRPS.

The System Operator, at its discretion, may initiate a CRPS pursuant to Section 15 of Attachment K, Section II of the Tariff, when it identifies any of the following interconnection circumstances:

- (1) the withdrawal from the Cluster Study Process of two (2) or more Interconnection Requests for resources in the same electrical part of the New England Control Area; or
- (2) where procurements are underway for resources in the same electrical part of the New England Control Area;

and, none of the resources described in (1) or (2) above will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC.

System Operator may also initiate a CRPS in an electrical part of the New England Control Area where System Operator previously identified the need for a CETU to interconnect new resources.

4.2.2 Notice of Initiation of CRPS.

When the System Operator identifies the interconnection circumstances in Section 4.2.1 of this LGIP, the System Operator will provide notice to the Planning Advisory Committee of the initiation of a CRPS in accordance with Section 15.1 of Attachment K, Section II of the Tariff. The System Operator will perform a CRPS to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources for which the interconnection circumstances described in Section 4.2.1 of this LGIP were identified, consistent with Section 15.2 of Attachment K. The results of the CRPS performed under Attachment K will inform the Cluster entry process and requirements for Interconnection Requests for Generating Facilities that need the CETU to meet the interconnection standards in Schedules 22, 23, or 25 of the OATT. The System Operator will provide notice to Interconnection Customers with Interconnection Request identified as needing the CETU to meet the interconnection standards prior to the Cluster Scoping Meeting.

4.2.3 Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1 Cluster Entry Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1.1 CRPS Completed Prior to Transitional Cluster Study For a CRPS that was completed prior to the start of the Transitional Cluster Study and for which a CSIS has not commenced, all Interconnection Requests identified in the final CRPS report, by Queue Position as assigned in accordance with Section 4.1 of this LGIP, shall be eligible to elect to enter the Transitional Cluster Study under Section 5.1.1.2 of this LGIP. By the deadline to return the Transitional Cluster Study Agreement, an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to elect to enter the Transitional Cluster Study must, in writing:

1. withdraw the Interconnection Request, pursuant to Section 3.7; or
2. request to be included in the Transitional Cluster Study, meet the requirements specified in Section 5.1.1.2 (except for the Commercial Readiness Deposit), and submit to the System Operator the initial CETU Participation Deposit specified in Section 4.2.3.2 of this LGIP. Such deposit shall be in cash.

If, by the deadline to submit the Transitional Cluster Study Agreement, Interconnection Customer fails to withdraw its Interconnection Request or request to be included in the Transitional Cluster Study and meet

the requirements specified in this Section 4.2.3.1.1, then the Interconnection Request will be automatically withdrawn from the interconnection queue without further opportunity to cure. If Interconnection Customer elects option (2) above and does not meet all of the entry requirements specified in this Section 4.2.3.1.1 by the deadline to submit the Transitional Cluster Study Agreement, the Interconnection Request will be automatically withdrawn from the interconnection queue as of that date without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of an otherwise incomplete Transitional Cluster Study entry requirements submission, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

4.2.3.1.2 CRPS Initiated After the Transitional Cluster Study All Interconnection Requests that, based on a final CRPS report that the System Operator has completed pursuant to Attachment K after the Transitional Cluster Study, reasonably expect to, or have been notified by System Operator that they need, the CETU and associated system upgrades identified in that final CRPS report must request to be included in the Cluster Study, meet the requirements specified in Section 5.1.1.2 (with the exception of the Commercial Readiness Deposit), and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this LGIP. Such deposit shall be in cash. If Interconnection Customer does not meet all of the entry requirements specified in this Section 4.2.3.1.2 by the close of the Cluster Request Window, the Interconnection Request will be automatically withdrawn from the interconnection queue as of the close of the Cluster Request Window without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of the incomplete Interconnection Request, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

Where a CRPS under Attachment K has not been completed prior to the opening of a Cluster Entry Window, Interconnection Requests in the electrical part of the system subject to the CRPS will be eligible to participate in the next Cluster Study following completion of the CRPS.

4.2.3.2. CETU Eligible Interconnection Requests

By the close of the Cluster Request Window, Interconnection Customer must submit to the System Operator, for a CETU eligible project, a deposit equal to five (5) percent of the Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CRPS report. If the System Operator subsequently identifies that an Internal ETU has met the requirements to take the place of a CETU, or portion thereof, pursuant to Sections s 5.1.1.2 and 7.3 of this LGIP, the initial CETU Participation Deposit will be reduced

to exclude the costs associated with the CETU, or portion thereof, that is being replaced by the Internal ETU, and Interconnection Customer shall be refunded the corresponding amount. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The initial CETU Participation Deposit will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this LGIP) to Interconnection Customer with an Interconnection Request that met the cluster entry requirements: (i) if the CETU is initially undersubscribed by more than ten (10) percent of the quantity of megawatts that the CETU developed through the CRPS was designed to enable and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, before the Cluster Study starts, (ii) if the CETU is initially oversubscribed as described in Section 4.2.3.3. of this LGIP (e.g., the CETU developed through the CRPS is designed to enable 1,000 MW and more than 1,000 MW meet the Cluster Study or Transitional Cluster Study entry requirements), in which case the CETU Participation Deposit will be refunded to Interconnection Customers with Interconnection Requests corresponding to the oversubscribed megawatt quantities, (iii) if the cost estimates for the CETU and the associated system upgrades provided in the final CRPS report for the entire cluster have increased by twenty-five (25) percent or more when compared to the cost estimates provided in the draft Transitional Cluster Study Report, draft Cluster Study Report, or the draft Facilities Study Report and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within thirty (30) Calendar Days after receipt of the draft Transitional Cluster Study Report, draft Cluster Study Report or the draft Facilities Study Report in accordance with Sections 7.3 and 8.3 of this LGIP, respectively, (iv) if at the time Interconnection Customer with an Interconnection Request included in the CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP, or (v) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue at any time after the Customer Engagement Window. The non-refundable CETU Participation Deposit shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.2.3.3 CETU Filling and Oversubscription

For purposes of the Transitional Cluster Study, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area that the System Operator previously identified as needing the CETU identified in the final CRPS report and that met the Transitional Cluster Study entry requirements by the Cluster Request Window up to the approximate megawatt quantity identified in the final CRPS report as potentially enabled by the CETU. The Interconnection Requests will be included Transitional Cluster Study in queue order, based on the Queue Positions assigned in accordance with Section 4.1 of this LGIP, relative to other eligible Interconnection Requests. In the event that the CETU is filled and lower queued Interconnection Requests remain, such requests shall be withdrawn by System Operator, all remaining deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

For Cluster Studies, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area submitted during the next Cluster Request Window following the publication of the final CRPS report that the System Operator determines need the CETU identified in the final CRPS report and meet the Cluster Study entry requirements by the close of the Cluster Entry Window up to the approximate megawatt quantity identified in the final CRPS as potentially enabled by the CETU. If the Interconnection Requests identified by the System Operator as needing the CETU identified in the final CRPS report that elect to enter the Cluster Study exceed the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report, the System Operator shall fill the CETU first with Interconnection Requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals. In the event that the CETU is filled and additional Interconnection Requests are not able to be included, such requests will not proceed into the Cluster Study, all deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

4.2.4. Cluster Interconnection Facilities Study.

The following provisions shall only apply to Interconnection Customers that executed a CFAC prior to the effective date of this LGIP.

Notwithstanding any other provision in this LGIP, an Interconnection Customer with an Interconnection Request included in a completed CSIS will not be eligible to waive the, or request a separate, CFAC. All Interconnection Customers with an Interconnection Request included in a completed CSIS shall be

studied together in the CFAC for the purpose of implementing the conclusions of the CSIS with respect to non-sole use facilities.

4.2.4.1 Cluster Interconnection Facilities Study Entry Requirements. An Interconnection Customer with an Interconnection Request that was included in a completed CSIS shall execute an Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator, together with the required technical data and refundable deposit for the Interconnection Facilities Study as specified in Section 8.1 of this LGIP.

4.2.4.2. Scope of Interconnection Facilities Study. The CFAC will be conducted in accordance with Sections 8.2 and 8.3 of this LGIP based on a +/- 20 percent good faith cost estimate.

4.2.4.3 Re-study of the Interconnection Facilities Study. In addition to the circumstances specified in Section 8.5 of this LGIP, a re-study of the CFAC is required due to the withdrawal of an Interconnection Request that had been included in the CFAC. A re-study of the CSIS and CFAC will be conducted to determine if there are any changes in the upgrades identified during the CSIS and CFAC with the exception of the CETU identified in the final CRPS report, which shall remain configured consistent with the megawatt quantity(ies) considered in the final CRPS report.

4.2.4.4 Additional CETU Participation Deposit. Within thirty (30) Calendar Days after receipt of the final CFAC report in accordance with Section 8.3 of this LGIP, an Interconnection Customer with an Interconnection Request included in the CFAC shall submit to the System Operator an additional CETU Participation Deposit equal to five (5) percent of the Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CFAC report. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The additional CETU Participation Deposit provided under this Section 4.2.4 will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this LGIP) to Interconnection Customer that submitted the additional CETU Participation Deposit (i) at the time Interconnection Customer with an Interconnection Request included in the CFAC provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP or (ii) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the additional CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue. The non-refundable additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change. Interconnection Customer must notify the System Operator, in writing, of any transfers of Queue Position and must provide the System Operator with the transferee's contact information, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

4.4 Modifications.

Interconnection Customer shall submit to System Operator and Interconnecting Transmission Owner, in writing, modifications to any information provided in the Interconnection Request, including its attachments. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.4, or 7.5 of this LGIP, or are determined not to be Material Modifications pursuant to Section 4.4.2 of this LGIP. The System Operator will notify the Interconnecting Transmission Owner, and, when System Operator deems it appropriate in accordance with applicable codes of conduct and confidentiality requirements, it will notify any Affected Party or Internal Affected Party of such modifications.

A new Interconnection Request shall be required to: (1) increase the energy capability or capacity capability output of a Generating Facility above that specified in an Interconnection Request, an existing Interconnection Agreement (whether executed or filed in unexecuted form with the Commission), or as established pursuant to Section 5.2 of this LGIP; or (2) change from NR Interconnection Service to CNR Interconnection Service, at any time.

During the course of the Interconnection Studies, the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes do not constitute a Material Modification and are acceptable to the Parties, such acceptance not to be unreasonably withheld, System Operator and the Interconnecting Transmission Owner shall modify the Point of Interconnection prior to the completion of a Cluster Study and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the Cluster Study Agreement or Transitional Cluster Study Agreement, modifications permitted under this Section shall include specifically: (a) a decrease of up to sixty percent (60%) 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 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.

4.4.2 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.4, or 7.5 of this LGIP, Interconnection Customer may first request that the System Operator and Interconnecting Transmission Owner evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, the System Operator in consultation with the Interconnecting Transmission Owner, and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall evaluate, at Interconnection Customer's cost, the proposed modifications prior to making them and the System Operator will inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4.1 of this LGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.3 Interconnection Customer may request, and System Operator shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. System Operator must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to System Operator. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification that does not constitute a Material Modification and therefore is permitted under this Section 4.4 of this LGIP, the System Operator in consultation with the Interconnecting Transmission Owner and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the System Operator, Interconnecting Transmission Owner, or Affected Party or Internal Affected Party commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost. Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to the Appendix 1 of this LGIP.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing, provided that the extension(s) do not exceed seven (7) years from the date the Interconnection Request was received by the System Operator. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA or requesting that the LGIA be filed unexecuted. After an LGIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the LGIA shall be used to calculate the permissible extension. Each cumulative extensions may not exceed three years including both extensions requested after execution of the LGIA by Interconnection Customer or the

filing of an unexecuted LGIA by System Operator and those requested prior to execution of the LGIA by Interconnection Customer or the filing of an unexecuted LGIA by System Operator.

4.4.6 Extensions of three (3) or more cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Large Generating Facility to which the Interconnection Request relates or any extension of a duration that results in the Initial Synchronization Date exceeding the date the Interconnection Request was received by the System Operator by seven (7) or more years is a Material Modification unless Interconnection Customer demonstrates to the System Operator due diligence, including At-Risk Expenditures, in pursuit of permitting, licensing and construction of the Large Generating Facility to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in the Interconnection Request. Such demonstration shall be based on evidence to be provided by Interconnection Customer of accomplishments in permitting, licensing, and construction in an effort to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in this Interconnection Request. Such evidence may include filed documents, records of public hearings, governmental agency findings, documentation of actual construction progress or documentation acceptable to the System Operator showing At-Risk Expenditure made previously, including the previous four (4) months. If the evidence demonstrates that Interconnection Customer did not undertake reasonable efforts to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date specified in the Interconnection Request, or demonstrates that reasonable efforts were not undertaken until four (4) months prior to the request for extension, the request for extension shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed Material Modification or proceed with a new Interconnection Request for such modification.

SECTION 5. PROCEDURES FOR TRANSITION.

5.1 Procedures for Transitioning to the Cluster Study Process.

5.1.1 Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) shall retain that Queue Position subject to the requirements in Sections 5.1.1.1 and 5.1.1.2 of this LGIP. Any Interconnection Customer that fails to meet the entry requirements shall have its Interconnection Request deemed withdrawn by System Operator pursuant to

Section 3.7 of this LGIP without further opportunity to cure. In such case, System Operator shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this section shall be tendered an LGIA pursuant to Section 11 of this LGIP, and shall not be required to enter this transition process.

System Operator shall not accept Interconnection Requests submitted after the thirty (30) Calendar Day period described in this section until the first Cluster Request Window opens.

5.1.1.1 Transitional Serial Study. An Interconnection Customer that has been tendered an Interconnection Facilities Study Agreement (other than a CFAC Agreement) as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) may opt to proceed with an Interconnection Facilities Study or proceed directly to LGIA negotiations. System Operator shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of Appendix 6 to this LGIP, no later than the Commission-approved effective date of this LGIP. System Operator shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Serial Interconnection Facilities Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without further opportunity to cure and without penalty. System Operator must commence the Transitional Serial Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this LGIP. All of the following must be included when an Interconnection Customer returns the Transitional Serial Interconnection Facilities Study Agreement:

- (1) A deposit equal to one hundred percent (100%) of the costs identified for Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trued up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30)

Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled. The deposit shall be in the form of an irrevocable letter of credit or cash where cash deposits shall be treated according to Section 3.7 of this LGIP.

(2) Exclusive Site Control for 100% of the proposed Generating Facility.

(3) A study deposit in the amount of the greater of \$250,000 (for new NR Interconnection Service or CNR Interconnection Service requests), \$100,000 (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 or changes from existing NR Interconnection Service to CNR Interconnection Service) or estimated study costs

Interconnecting Transmission Owner or System Operator shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of the Commission-approved effective date of this LGIP.

After System Operator issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.1.2 Transitional Cluster Study

An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) may opt to proceed with a Transitional Cluster Study. System Operator shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 5 to this LGIP, no later than the Commission-approved effective date of this LGIP.

System Operator shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1) – (5) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this LGIP. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty and with no further opportunity to cure. System Operator must commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrade costs shall be allocated according to Schedule 11 to the OATT. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this LGIP. Interconnection Customers for which the System Operator projects to complete the system impact studies between May 14, 2024 and August 30, 2024, shall be tendered a Transitional Cluster Study Agreement, in the form of Appendix 5 to this LGIP, no later than the Commission-approved effective date of this LGIP. However, if Interconnection Customer accepts the results of its system impact study on or before August 30, 2024, the System Operator shall not include the Interconnection Request in the Transitional Cluster Study and instead tender a Large Generator Interconnection Agreement pursuant to Section 11 of this LGIP, and refund any deposits associated with participation in the Transitional Cluster Study.

Notwithstanding any other provision, an Interconnection Customer with a valid Queue Position prior to June 13, 2024 that includes a Commercial Operation Date earlier than April 28, 2028, may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than April 28, 2028.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

- (1) A selection of either Network Resource Interconnection Service or Capacity Network Resource Interconnection Service. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator

identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

- (2) A deposit of five million dollars (\$5,000,000) for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and one million (\$1,000,000) 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 in the form of an irrevocable letter of credit or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled.
- (3) Exclusive Site Control for 100% of the proposed Generating Facility.
- (4) A study deposit in the amount of \$250,000 for Interconnection Requests seeking NR Interconnection or CNR Interconnection Service, and one hundred thousand (\$100,000) 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. Any unused balance of the study deposit associated with the Interconnection Request shall be applied toward the study deposit associated with the Transitional Cluster Study Agreement.

- (5) All technical data required under Appendix 1, Attachment A and Attachment A-1 (if applicable) of this LGIP to the extent Interconnection Customer has not already provided such data.

System Operator shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The Study Case for the Transitional Cluster Study shall include any CETU and associated system upgrades identified in a final CRPS Report prior to the opening of the Transitional Cluster Study, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from the Transitional Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Transitional Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the deadline to submit the Transitional Cluster Study Agreement that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

The interim Transitional Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of Contingent Facilities
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Administered Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of the Commission-approved effective date of this LGIP, respectively, and shall be posted on System Operator's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this LGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After System Operator issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.1.3 Transitional CNR Group Study

In accordance with Section III.13.1.1.2.3A, System Operator shall conduct a Transitional CNR Group Study following the effective date of this LGIP. An Interconnection Customer with an assigned Queue Position as of May 1, 2024 may participate in the Transitional CNR Group Study, and consistent with Section II.48 of the Tariff, achieve CNR Interconnection Service. Any Interconnection Customer seeking to establish CNR Interconnection Service through this study must (1) have a valid Interconnection Request seeking CNR Interconnection Service, (2) submit a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process, (3) have not secured a Capacity Supply Obligation prior to September 4, 2024, (4) have a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before July 1, 2024, and (5) have a Commercial Operation Date prior to June 1, 2028.

System Operator shall conduct the study by performing an overlapping impacts analysis in the manner used for CNR Group Studies conducted prior to the effective date of this LGIP and as described in ISO

Section III.13.1.1.2.3A and the ISO New England Planning Procedures. The Transitional CNR Group Study shall assure that Interconnection Customer's Large Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures.

Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in the Transitional CNR Group Study in order of submission/approval (the dates of submission shall be used for Interconnection Requests submitted to the System Operator and the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates). Interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates that have not yet received the System Operator's approval for their Proposed Plan Applications under Section I.3.9 of the Tariff at the commencement of the Transitional CNR Group Study shall be included in the Transitional CNR Group Study after all Interconnection Requests submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and all interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff have been included in the Transitional CNR Group Study in order of submission to the Interconnecting Transmission Owners or their distribution company affiliates.

Where an Interconnection Customer with a CNR or CNI Interconnection Service Interconnection Request submits a Show of Interest Form to participate in the Transitional CNR Group Study, and identifies in that Show of Interest Form that one or more Elective Transmission Upgrade Interconnection Request(s) for an Internal ETU (with a completed Interconnection System Impact Study), that is not already included in the network model pursuant to Section III.12 of the Tariff supports its deliverability, the CNR or CNI Interconnection Request will be included in the Transitional CNR Group Study at the lowest of the CNR or CNI Interconnection Request's or its associated Elective Transmission Upgrade Interconnection Request(s) for the Internal ETU's Queue Position. Where multiple Interconnection Customers' CNR or

CNI Interconnection Service Interconnection Requests are associated with the same lower Queue Position for an Elective Transmission Upgrade Interconnection Request for an Internal ETU in the CNR Group Study, the CNR Interconnection Request's Queue Position will be used as the tie breaker to dictate the relative order in which the CNR Interconnection Service Interconnection Request will be included in the CNR Group Study.

Any Interconnection Customer seeking to participate in the Transitional CNR Group Study that receives a qualification determination notification under Section III.13.1.1.2.8 of the Tariff, must provide, a Commercial Readiness Deposit of one million dollars (\$1,000,000) in the form of an irrevocable letter of credit, cash, or a combination thereof prior to the opening of the window to elect critical path schedule monitoring. Such deposit shall be refunded to Interconnection Customer: upon the Generating Facility achieving Commercial Operation. If Interconnection Customer does not achieve Commercial Operation, System Operator shall refund the deposit to Interconnection Customer in accordance with Section 3.7 of this LGIP.

5.2 Grandfathering.

5.2.1 An Interconnection Customer's Generating Facility that is interconnected pursuant to an Interconnection Agreement executed or submitted to the Commission for approval prior to February 1, 2009, will maintain its status as a Network Resource with Network Resource Interconnection Service eligible to participate in the New England Markets, in accordance with the requirements of Market Rule 1, Section III of the Tariff, up to the megawatt amount specified in the Interconnection Agreement, subject to Interconnection Customer satisfying all requirements set forth in the Interconnection Agreement and this LGIP. If the Generating Facility does not meet the criteria set forth in Section 5.2.3 of this LGIP, Interconnection Customer will be eligible to make a one-time election, pursuant to Section 5.1.3, for Capacity Network Resource treatment without submitting a new Interconnection Request; however, Interconnection Customer will be required to comply with the requirements for CNR Interconnection Service set forth in Section 3.2.1. Upon completion of the requirements to obtain CNR Interconnection Service, Interconnection Customer's Interconnection Agreement shall be amended to conform to the LGIA in Appendix 11 of this LGIP.

5.2.2 An Interconnection Customer's Generating Facility governed by an Interconnection Agreement either executed or filed with the Commission in unexecuted form prior to August 1, 2008, shall maintain

the Queue Position assigned as of August 1, 2008, and be eligible to participate in the New England Markets, in accordance with the requirements in Market Rule 1, Section III of the Tariff, as in effect as of August 1, 2008, so long as Interconnection Customer complies with all of the requirements specified in the Interconnection Agreement, including achieving the milestones associated with At-Risk Expenditures, subject to Section 4.4 of this LGIP.

5.2.3 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a CNR and obtain CNR Interconnection Service, in accordance with this LGIP, up to the CNR Capability of the resource. The grandfathered CNR Capability for these resources shall be equal to the megawatt amount established pursuant to the following hierarchy:

(a) First, the megawatt amount specified in an Interconnection Agreement (whether executed or filed in unexecuted form with the Commission).

(b) Second, in the absence of an Interconnection Agreement with a specified megawatt amount, the megawatt amount specified in an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision).

(c) Third, in the absence of an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) with a specified megawatt amount, as determined by the System Operator based on documented historic capability of the Generating Facility.

Where a resource has both an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision), the lower megawatt amount will govern until the resource completes the applicable process(es) under the Tariff for obtaining the higher megawatt amount. The absence of an Interconnection Agreement or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) specifying a megawatt amount shall be confirmed by an affidavit executed by a corporate officer of the resource attesting that the resource does not have an Interconnection Agreement and/or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) that specifies a megawatt amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) specifies a megawatt amount at an ambient temperature consistent with the definition of CNR Capability, the grandfathered CNR Capability shall be equal to that amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of CNR Capability.

Where the implementation of this Section 5.2.3 results in a CNR Capability that is different than previously had been identified, the revised CNR Capability will be applied commencing with the next Forward Capacity Auction qualification process (after the revised CNR Capability value is identified), which is initiated by the closing deadline of the Show of Interest Submission Window in accordance with Section III.13 of the Tariff. The revised CNR Capability will continue to govern until the resource completes the applicable process(es) for obtaining the higher megawatt amount.

5.2.4 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a NR and obtain NR Interconnection Service, in accordance with this LGIP, up to the NR Capability of the resource. The grandfathered NR Capability shall be determined pursuant to the hierarchy set forth in Section 5.2.3.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) of a resource for which a temperature-adjustment curve is used for the claimed capability verification, as set forth in the ISO New England Manuals, specifies a megawatt amount at an ambient temperature, the grandfathered NR Capability shall be equal to a temperature-adjusted value consistent with the definition of NR Capability.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of NR Capability.

5.3 New System Operator or Interconnecting Transmission Owner.

If the System Operator transfers operational control of the New England Transmission System to a successor System Operator during the period when an Interconnection Request is pending, the System

Operator shall transfer to the successor System Operator any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to Interconnection Customer, as appropriate. The System Operator shall coordinate with the successor System Operator to complete any Interconnection Study, as appropriate, that the System Operator has begun but has not completed.

If the Interconnecting Transmission Owner transfers ownership of its transmission facilities to a successor transmission owner during the period when an Interconnection Request is pending, and System Operator in conjunction with Interconnecting Transmission Owner has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with the Commission, unless otherwise provided, Interconnection Customer must complete negotiations with the successor transmission owner.

SECTION 6. INTERCONNECTION INFORMATION ACCESS.

6.1 Publicly Posted Interconnection Information.

System Operator shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection on the Administered Transmission System under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the Administered Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Administered Transmission System with the transfer simulated from each point of interconnection to the whole Administered Transmission System footprint (to approximate Capacity Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented

by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

For Interconnection Requests that were identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff prior to the effective date of this LGIP, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. Any difference between the study deposit and the actual cost of the Interconnection Feasibility Study or the actual costs incurred by the Interconnecting Transmission Owner in developing the costs estimates in support of the CRPS shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3.

SECTION 7. CLUSTER STUDY.

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, System Operator and Interconnecting Transmission Owner shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 of this LGIP. The Cluster Study Agreement shall require t Interconnection Customer to compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Cluster Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the LGIA, pursuant to Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by System Operator and Interconnecting Transmission Owner following the conclusion of the Scoping Meeting.

7.2 Execution of the Cluster Study Agreement.

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to the System Operator no later than the close of the Customer Engagement Window In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the estimated costs of Cluster Study that are

expected to be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Cluster Study, including the study agreement and its attachment(s) and the LGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Cluster Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Cluster Study. Costs of Cluster Studies shall be allocated to all Interconnection Customers on a 50% per capita, and 50% per MW basis. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

If at any time during the Cluster Study, including during the Customer Engagement Window, System Operator determines that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, System Operator shall notify Interconnection Customer and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study Agreement or required deposits. Failure to provide all required information within this period will result in automatic withdrawal of the Interconnection Request from the queue without the cure period provided under Section 3.7 of this LGIP.

7.3 Scope of Cluster Study.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability and operation of the New England Transmission System. The Cluster Study will consider the Base Case as well as all generating facilities and Elective Transmission Upgrades (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Affected System or Internal Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the New England Transmission System and may have an impact on the Interconnection Request; and (iv) have no Queue Position but have executed an Interconnection Agreement or requested that an unexecuted Interconnection Agreement be filed with the Commission (the “Study Case” for the Cluster Study). The Study Case shall also include any CETU and associated system upgrades identified in a final CRPS report

prior to the opening of the Cluster Request Window, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from a Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the Customer Engagement Window that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall consider the level of Interconnection Service requested by Interconnection Customers in the Cluster. However, the Cluster Study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system.

The Cluster Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, such as electromagnetic transient analysis, including thermal analysis and voltage analysis, a system protection analysis and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner, the results of which are documented in a single Cluster Study Report, as applicable. Interconnecting Transmission Owner(s) and Internal Affected Systems (if applicable) shall provide to System Operator, within thirty (30) Calendar Days of a request, and for purposes of inclusion in the Cluster Study Report, non-binding good faith estimates of cost responsibility for required upgrades, and a non-binding good faith estimated times to construct such upgrades.

At the conclusion of the Cluster Study, System Operator and Interconnecting Transmission Owner shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based, state the results of the analyses, and provide the requirements or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the

interconnection. The Cluster Study report will provide (i) a list of Interconnection Facilities and Network Upgrades that are required to reliably interconnect the Generating Facilities in that Cluster Study and a non-binding good faith estimate of cost responsibility; (ii) a non-binding good faith estimated time to construct; (iii) a protection assessment to determine the required protection upgrades; and may provide (iv) an evaluation of the siting of the Interconnection Facilities and Network Upgrades; and (v) identification of the likely permitting and siting process including easements and environmental work. The Cluster Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method in Schedule 11, Section II of the Tariff. System Operator shall hold an open stakeholder meeting pursuant to Section 7.4 of this LGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. System Operator shall evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. System Operator shall include an explanation of the results of the System Operator's evaluation for each technology in the Cluster Study Report.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests within the Cluster and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Cluster Study Procedures.

The System Operator shall coordinate the Cluster Study with the Interconnecting Transmission Owner, and with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, that is affected by the Interconnection Request pursuant to Section 3.6 of this LGIP. The System Operator and Interconnecting

Transmission Owner shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and System Operator and Interconnecting Transmission Owner shall initiate the Cluster Study process pursuant to Section 7 of this LGIP.

The System Operator and Interconnecting Transmission Owner shall complete the Cluster Study within two hundred and seventy (270) Calendar Days of the close of the Customer Engagement Window.

Within ten (10) Business Days of simultaneously issuing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, the System Operator shall convene a Cluster Study Report Meeting.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Cluster Study, the System Operator shall notify Interconnection Customer as to the schedule status of the Cluster Study. If the System Operator and Interconnecting Transmission Owner are unable to complete the Cluster Study within the time period, the System Operator shall notify Interconnection Customers and provide an estimated start date if the study has not commenced and completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customers all supporting documentation, workpapers and relevant Study Case power flow, short circuit and stability databases that have been developed for the Cluster Study to any third party consultant retained by Interconnection Customers. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customers.

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

- (a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and

- (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to System Operator five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. System Operator shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon System Operator determining that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to System Operator's approval, not to be unreasonably withheld. Absent such demonstration, System Operator shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP (without the cure period provided under Section 3.7 of this LGIP).

At the same time that Interconnection Customer submits the information required under this Section 7.5(1)(a) and (b), an Interconnection Customer may also request a decrease in the size of the Large Generating Facility, provided that the Cluster Study identified that the Large Generating Facility proposed in Interconnection Customer's Interconnection Request does not share any Network Upgrades [with a Generating Facility or Elective Transmission Upgrade proposed in a separate Interconnection Request](#). If System Operator determines that a Cluster Restudy is required under this Section 7.5 of this LGIP, within ten (10) Business Days of that determination Interconnection Customer shall provide all required updated modeling and data associated with the requested decrease in the size of the Large Generating Facility for use in the Cluster Restudy. If the System Operator determines that a Cluster Restudy is not required, Interconnection Customer's request to decrease the size of the Large Generating Facility shall constitute a Material Modification pursuant to Section 4 of this LGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this LGIP after completion of the Cluster Study or Cluster Restudy, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this LGIP, System Operator and Interconnecting Transmission Owner shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If System Operator and Interconnecting Transmission Owner determine a Cluster Restudy is not necessary, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and System Operator shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and System Operator and Interconnecting Transmission Owner determine a Cluster Restudy is necessary as a result, System Operator shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. System Operator and Interconnecting Transmission Owner shall continue with such restudies until System Operator and Interconnecting Transmission Owner determine that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, or requested that unexecuted LGIAs be filed, and System Operator and Interconnecting Transmission Owner determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, System Operator shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. System Operator and Interconnecting Transmission Owner shall complete the Cluster Restudy within ninety (90) Calendar Days of the System Operator informing Interconnection Customers in the Cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). System Operator shall hold a meeting with Interconnection Customers in the Cluster, Interconnecting Transmission Owners, and any Affected Party or Internal Affected party as deemed appropriate by the System Operator (Cluster Restudy Report

Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and System Operator and Interconnecting Transmission Owner shall follow the procedures of this Section 7.5 of this LGIP until such time that System Operator and Interconnecting Transmission Owner determine that no further restudies are required. System Operator shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Within twenty (20) Calendar Days following the Cluster Study Results Meeting, or Cluster Restudy Results Meeting (as appropriate) study results meeting, Interconnection Customer shall provide to the System Operator written notice that it will either pursue the Interconnection Facilities Study or waive the Interconnection Facilities Study and elect an expedited interconnection.

Notwithstanding the foregoing sentence, the option to waive the Interconnection Facilities Study is not available for Interconnection Customers that share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy unless each Interconnection Customers agrees in writing to waiver the Interconnection Facilities Study. In a case where Interconnection Customers share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy and do not agree to waive the Interconnection Facilities Study, such study shall be performed at a level of +/- 20 percent. Once Interconnection Customer notifies the System Operator of its election, such election is not subject to change. If Interconnection Customer elects to pursue the Facilities Study it must proceed with the study. If Interconnection Customer waives the Facilities Study, it shall commit to the following milestones in the LGIA: (i) Siting approval for the Generating Facility and Interconnection Facilities; (ii) Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner; (iii) Ordering of long lead time material for Interconnection Facilities and system upgrades; (iv) Initial Synchronization Date; and (v) Commercial Operation Date.

7.7 Operational Readiness.

The System Operator shall, as close to Interconnection Customer's actual Synchronization Date as reasonably possible, ensure that operational analysis, including current stability analyses, power flow analyses, and any other analyses deemed necessary by the System Operator, are performed, and that procedures are developed or updated to address the operation of the New England Transmission System with the addition of Interconnection Customer's Generating Facility. The operational analysis will also

include tests of system performance with selected facilities out of service. Such studies shall be performed at the expense of Interconnection Customer.

The System Operator is not obligated to perform the operational analyses described in this Section 7.7 if, in the exercise of reasonable discretion, the System Operator in consultation with Interconnecting Transmission Owner determines that interconnection of Interconnection Customer's Generating Facility to the Administered Transmission System is remote and speculative.

SECTION 8. INTERCONNECTION FACILITIES STUDY.

8.1 Interconnection Facilities Study Agreement.

Except as otherwise provided in Section 4.2.4 and 7.5 of this LGIP, Interconnection Customer may waive the Interconnection Facilities Study and instead elect expedited interconnection, which means that Interconnection Customer may enter into E&P Agreements under Section 13.7 if it had not already done so, and shall enter into an LGIA in accordance with the requirements specified in Section 11.

If Interconnection Customer waives the Interconnection Facilities Study, Interconnection Customer, subject to the specific terms of the E&P Agreements, assumes all risks and shall pay all costs associated with equipment, engineering, procurement and construction work covered by the Interconnection Facilities Study as described in Section 8.2 below.

Within five (5) Business Days following System Operator notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), the System Operator shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this LGIP..

Interconnection Customer shall compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Interconnection Facilities Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the LGIA. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a non-binding good faith estimate of the cost for completing the Interconnection Facilities Study in accordance with requirements specified in Section 8.3 of this LGIP. Interconnection Customer shall execute the

Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator within thirty (30) Calendar Days after its receipt, together with :

(1) any required technical data;

(2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the System Operator in accordance with Section 3.4.2 of this LGIP;

(3) An additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. In the case of a CETU-enabled Interconnection Request, such deposit shall be made in cash. System Operator shall refund the Commercial Readiness Deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

In accordance with Section 8.3, Interconnection Customer shall specify in Attachment A to the Interconnection Facilities Study Agreement whether it wants no more than a +/- twenty percent (20%) or a +/- ten percent (10%) good faith cost estimate contained in the report. The deposit for the study shall be the greater of twenty-five percent of the estimated cost of the study or \$250,000

Any difference between the study deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the cost of the Interconnection Facilities Studies that will be or have been incurred by the System Operator and/or the Interconnecting Transmission Owner for the Interconnection Facilities Study, the study agreement and its attachment(s) and the LGIA.

Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Interconnection Facilities Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Facilities Study.

For a CFAC that began before May 31, 2024, costs that are associated with an individual Interconnection

Request assessed within the CFAC will be charged directly to that Interconnection Customer. CFAC costs that are associated with the CFAC as a whole will be divided equally, on a per-project basis, among Interconnection Customers in the cluster. The System Operator and the Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Administered Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study shall also identify any potential control technology for (1) requests for Interconnection Service at a level that is lower than the nameplate capability of the facility, and/or (2) for Generating Facilities that include at least one electric storage resource, where study of the charging mode of the electric storage resource(s), was done using net shoulder system load as defined in ISO New England Planning Procedures. The scope and cost of the Interconnection Facilities Study shall include completion of any engineering work limited to what is reasonably required to (i) estimate such aforementioned cost to the accuracy specified by Interconnection Customer pursuant to Section 8.3, (ii) identify, configurations of required facilities and (iii) identify time requirements for construction and installation of required facilities.

8.3 Interconnection Facilities Study Procedures.

The System Operator shall coordinate the Interconnection Facilities Study with Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, pursuant to Section 3.6 of this LGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The System Operator and Interconnecting Transmission Owner shall complete the study and the System Operator shall issue a draft Interconnection Facilities Study report to Interconnection Customer, Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- twenty percent (20%) good faith cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- ten percent (10%) good faith cost estimate. Such cost estimates either individually or in the aggregate will be provided in the final study report.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Interconnection Facilities Study, System Operator shall notify Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, as to the schedule status of the Interconnection Facilities Study. If the System Operator is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, the System Operator shall notify Interconnection Customer, Interconnecting Transmission Owner and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer and appropriate Affected Parties and Internal Affected Parties may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the System Operator and Interconnecting Transmission Owner, which the System Operator shall include in the final Interconnection Facilities Study Report. The System Operator shall issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving

Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The System Operator may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require the System Operator or Interconnecting Transmission Owner to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, or any third party consultant retained by Interconnection Customer supporting documentation, with workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customer.

8.4 Meeting with Parties.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, the System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Interconnection Facilities Study.

8.5 Restudy.

If restudy of the Interconnection Facilities Study is required due to (i) a higher or equally queued project withdrawing from the queue, (ii) a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, or (iii) a modification to a transmission project included in the Base Case, the System Operator shall notify Interconnection Customer and Interconnecting Transmission Owner in writing. Each restudy shall be conducted serially based on the Queue Position of each Interconnection Customer, and each restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customer, any cost of restudy shall be borne by Interconnection Customer being restudied. If the original Interconnection

Facilities Study is complete and the final invoice has been issued, the restudy shall be performed under a new Interconnection Facilities Study Agreement.

Section 9 Affected System Study.

9.1 Applicability.

This Section 9 outlines the duties of System Operator and Interconnecting Transmission Owner when they receive notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System.

9.2 Response to Notifications

9.2.1 Response to Initial Notification

When System Operator receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System, System Operator must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after the System Operator responds with its affirmative intent to conduct an Affected System Study, System Operator shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy, System Operator will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that System Operator intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If System Operator decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If System Operator decides to move forward with

its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this LGIP.

9.3 Affected System Queue Position.

System Operator must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the System Operator's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this LGIP, System Operator and Interconnecting Transmission Owner shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.

Unless otherwise agreed, System Operator shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 7 or Appendix 8 to this LGIP, as applicable, within ten (10) Business Days of System Operator sharing the schedule for the Affected System Study per Section 9.2.1 of this LGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate System Operator and Interconnecting Transmission Owner for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed

costs within the time allotted, it shall lose its Affected System Queue Position. System Operator shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to System Operator, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If System Operator notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this LGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, System Operator shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the New England Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected

System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected the New England Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. System Operator and Interconnecting Transmission Owner has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

System Operator shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. System Operator and Interconnecting Transmission Owner shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, System Operator and Interconnecting Transmission Owner shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If System Operator and Interconnecting Transmission Owner are unable to complete the Affected System Study within the requisite time period, it shall notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. If System Operator and Interconnecting Transmission Owner do not meet the deadlines in this Section, System Operator and Interconnecting Transmission Owner shall be subject to the financial penalties as described in Section 3.9 of this LGIP. Upon request, System Operator shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

System Operator and Interconnecting Transmission Owner must study an Affected System Interconnection Customer using the Network Resource Interconnection Service modeling standard used for Interconnection Requests on the New England Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Results Meeting.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), System Operator, Interconnecting Transmission Owner and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

System Operator shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Schedule 11 of the OATT.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

Interconnecting Transmission Owner shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 9 or 10 to this LGIP, within thirty (30) Calendar Days of System Operator providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. Interconnecting Transmission Owner shall execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, System Operator shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

SECTION 10. OPTIONAL INTERCONNECTION STUDY.

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Cluster Study Report and no later than five (5) Business Days after the study results meeting to review the report, Interconnection Customer may request in writing, and the System Operator in coordination with the Interconnecting Transmission Owner shall perform, an Optional Interconnection Study. The request shall describe the assumptions that Interconnection Customer wishes the System Operator to study within the scope described in Section 10.2 of this LGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, the System Operator shall provide to the Interconnecting Transmission Owner and Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case, and (iii) specify the System Operator's and Interconnecting Transmission Owner's estimate of the cost of the Optional Interconnection Study. To the extent known by the System Operator, such estimate shall include any costs expected to be incurred by any Affected System or Internal Affected System whose participation is necessary to complete the Optional Interconnection Study. The Optional Interconnection Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Optional Interconnection Study, including the cost of developing the study agreement and its attachment(s). Notwithstanding the above, the System Operator and Interconnecting Transmission Owner shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the required technical data and the refundable deposit for the Optional Interconnection Study to the System Operator. The deposit for the study shall be 100 percent of the estimated cost of the study. Any difference between the study deposit and the actual cost of the Optional Interconnection Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the costs of the Optional Interconnection Study that have been, or will be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Optional Interconnection Study and the study agreement and its attachments(s). Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposits until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify the Interconnecting Transmission Owner's Interconnection

Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The System Operator shall use Reasonable Efforts to coordinate the study with any Affected Systems and Internal Affected Systems that may be affected by the types of Interconnection Services that are being studied. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

The Optional Interconnection Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, including thermal analysis and voltage analysis, a system protection analysis, and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to the System Operator and Interconnecting Transmission Owner within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed-upon time period specified within the Optional Interconnection Study Agreement. If the System Operator and Interconnecting Transmission Owner are unable to complete the Optional Interconnection Study within such time period, the System Operator shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study to any third party consultant retained by Interconnection Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to Interconnection Customer.

10.4 Meeting with Parties.

Within ten (10) Business Days of providing an Optional Interconnection Study report to Interconnection Customer, System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Optional Interconnection Study.

10.5 Interconnection Agreement Developed Based on Optional Interconnection Study.

If the LGIA for a Large Generating Facility is based on the results of an Optional Interconnection Study, the LGIA shall reflect the conditions studied and any obligations that may involve: (i) additional studies if such conditions change, (ii) operational limits, or (iii) financial support for transmission upgrades.

SECTION 11. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA).

11.1 Tender.

Interconnection Customer shall tender comments or provide notice, in writing, to the System Operator and Interconnecting Transmission Owner that Interconnection Customer has no comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Except as provided in the E&P Agreement or any mutual agreement by the entities that would be Parties to the LGIA, the System Operator shall initiate the development of the LGIA process within fifteen (15) Calendar Days after the comments are submitted or waived, or within fifteen (15) Calendar Days of notifying System Operator that it will waive the Interconnection Facilities Study, by tendering to Interconnection Customer a draft LGIA, together with draft appendices completed by the System Operator, in conjunction with the Interconnecting Transmission Owner to the extent practicable. The draft LGIA shall be in the form of the System Operator's Commission-approved standard form LGIA, which is in Appendix 11 to Schedule 22. Interconnection Customer shall return Interconnection Customer specific information required to complete the form of LGIA, including the appendices, in Appendix 11 of Schedule 22 that Interconnection Customer is willing to execute within thirty (30) Calendar Days after receipt of the draft from the System Operator, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this LGIP, at the request of Interconnection Customer, the System Operator and Interconnecting Transmission Owner shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement or after the Cluster Study and/or Cluster Restudy is complete if Interconnection Customer intends to waive the Interconnection Facilities Study. In the event that Interconnection Customer waives the Interconnection Facilities Study and proceeds directly from the Cluster Study or Cluster Restudy to LGIA negotiation, Interconnection Customer shall provide an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%), as required by Section 8.1 of this LGIP, within thirty (30) Calendar Days of the Cluster Study Report Meeting or Cluster Restudy Report meeting (as applicable). The System Operator, Interconnection Customer, and Interconnecting Transmission Owner shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender by the System Operator of the draft LGIA pursuant to Section 11 of this LGIP. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 of this LGIP and request submission of the unexecuted LGIA with the Commission or initiate Dispute Resolution procedures pursuant to Section 13.5 of this LGIP. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within sixty (60) Calendar Days of tender of by the System Operator of the draft LGIA pursuant to Section 11.1, it shall be deemed to have withdrawn its Interconnection Request. The System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the mutually agreed completion of the negotiation process.

11.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP, System Operator shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection

Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying LGIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to LGIA execution, or request unexecuted filing, without those results, it may notify System Operator of its intent to proceed with LGIA execution (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP. If System Operator determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, System Operator must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA (or request that the LGIA be filed unexecuted) to thirty (30) Calendar Days after such notice is provided.

11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of LGIA.

11.3.1 Evidence to be Provided by Interconnection Customer.

11.3.1.1 Site Control and LGIA Deposit. Simultaneously with submitting the executed LGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer request that the LGIA be filed unexecuted at the Commission, Interconnection Customer shall provide (A) to the System Operator demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and (B) to the Interconnecting Transmission Owner, in a form acceptable to the Interconnecting Transmission Owner, the LGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft LGIA minus the total amount of Commercial Readiness Deposit that Interconnection Customer has provided to the System Operator for its Interconnection Request. Interconnecting Transmission Owner shall use LGIA Deposits as (or as a portion of) Interconnection Customer's security required under Article 11.5 of the LGIA. Interconnection Customer may not request to suspend its LGIA under Article 5.16 of the LGIA until Interconnection Customer has provided (A) to the System Operator and (B) to the Interconnecting Transmission Owner. If Interconnection Customer fails to provide (A) and (B) within the thirty (30) Calendar Days allowed for returning the executed LGIA and appendices under Section 11.1 of this LGIP, or within ten (10) Business Days after Interconnection Customer requests that the System Operator and Interconnecting Transmission Owner file the LGIA unexecuted at the Commission as allowed in this Section 11.3 of this LGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP.

11.3.1.2 Development Milestones. Simultaneously with submitting the executed LGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer requests that the LGIA be filed unexecuted, Interconnection Customer also shall provide to the System Operator reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, to be elected by Interconnection Customer, has been achieved (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; (v) application for an air, water, or land use permit.

At the same time, Interconnection Customer with an Interconnection Request that was not studied using Clustering shall commit to a schedule for the payment of upgrades identified in the Interconnection Studies or an E&P Agreement.

Within fifteen (15) Business Days after receipt of the final LGIA, an Interconnection Customer with an Interconnection Request studied using the CSIS and CFAC processes where such studies were triggered prior to the effective date of this LGIP that provided the additional CETU Participation Deposit in accordance with Section 4.2.4.4 shall provide to the Interconnecting Transmission Owner, in cash, a potentially non-refundable deposit of twenty (20) percent of the total costs for the Interconnection Facilities and other upgrades, including any CETUs, identified in the CFAC, unless the Interconnecting Transmission Owner's expenditure schedule for the Interconnection Facilities and other upgrades calls for an initial payment of greater than twenty (20) percent of the total upgrade costs, in which case the scheduled initial payment must instead be made within the fifteenth Business Day after receipt of the final LGIA. If Interconnection Customer does not submit this deposit (or make the initial payment) by the fifteenth Business Day after receipt of the final LGIA, the Interconnection Request shall be automatically withdrawn from the interconnection queue without further opportunity to cure, and Interconnection Customer's initial and additional CETU Participation Deposits shall become non-refundable. The non-refundable initial and additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in the cluster at time the facilities proposed in the Interconnection Requests achieve Commercial Operation. If an Interconnection Request is withdrawn after Interconnection Customer's

payment of twenty (20) percent of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner, then the payment shall be used to offset the costs of the CETU. Any unspent payments of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner will be refunded to the respective Interconnection Customers that executed the Interconnection Agreement and provided to the Interconnecting Transmission Owner the twenty (20) percent deposit (or initial payment) if all the associated Interconnection Requests are withdrawn from the interconnection queue and the associated Interconnection Agreements are terminated.

11.3.2 Execution and Filing of LGIA. Within fifteen (15) Business Days after receipt of the final LGIA, (i) Interconnection Customer and Interconnecting Transmission Owner shall execute three (3) originals of the tendered LGIA and return them to the System Operator, who will send an original to Interconnecting Transmission Owner and Interconnection Customer; or (ii) Interconnection Customer shall request in writing that the System Operator and the Interconnecting Transmission Owner jointly file with the Commission an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered LGIA (if it does not conform with a Commission-approved Standard Large Generator Interconnection Agreement) or the request to file an unexecuted LGIA, the System Operator and Interconnecting Transmission Owner, in accordance with Section 11.3.3 or Section 11.3.4, as appropriate, shall jointly file the LGIA with the Commission, together with its explanation of any matters as to which the System Operator, Interconnection Customer or Interconnecting Transmission Owner disagree and support for the costs that the Interconnecting Transmission Owner proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by the System Operator and Interconnecting Transmission Owner for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending Commission action.

With respect to the interconnection of an Interconnection Customer under Schedule 22, the LGIA shall be a three-party agreement among the Interconnecting Transmission Owner, the System Operator and Interconnection Customer. If Interconnecting Transmission Owner, System Operator and Interconnection Customer agree to the terms and conditions of a specific LGIA, or any amendments to such an LGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file the executed LGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act. To the extent the Interconnecting Transmission Owner, System Operator and Interconnection Customer cannot agree to

proposed variations from the standard form of LGIA in Appendix 11 or cannot otherwise agree to the terms and conditions of the LGIA for such Large Generating Unit, or any amendments to such an LGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted LGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act and shall identify the areas of disagreement in such filing, provided that, in the event of disagreement on terms and conditions of the LGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of the Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on such terms and conditions.

11.3.3 The Interconnecting Transmission Owner, acting on its own or jointly with the System Operator, may initiate a filing to amend this LGIP and the standard form of LGIA in Appendix 11 under Section 205 of the Federal Power Act and shall include in such filing the views of System Operator, provided that the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on any financial obligations of the Interconnecting Transmission Owner or Interconnection Customer(s), and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final LGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by the Commission. Upon submission of an unexecuted LGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall promptly comply with the unexecuted LGIA, subject to modification by the Commission.

SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES.

12.1 Schedule.

Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party shall negotiate in good faith concerning a schedule for the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General. In general, the Initial Synchronization Date of an Interconnection Customer seeking interconnection to the Administered Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer. An Interconnection Customer with an executed or unexecuted, but filed with the Commission, LGIA, in order to maintain its Initial Synchronization Date, may request that the Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such Initial Synchronization Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Administered Transmission System, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party; (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected

Party has not refunded to Interconnection Customer. Payment by that entity with a contractual obligation to construct such Network Upgrades shall be due on the date that it would have been due had there been no request for advance construction. The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. The Interconnecting Transmission Owner or appropriate Affected Party then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of the Regional System Plan of the System Operator. An Interconnection Customer with an LGIA, in order to maintain its Initial Synchronization Date, may request that Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such Initial Synchronization Date and (ii) would otherwise not be completed, pursuant to the Regional System Plan, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party any associated expediting costs.

12.2.4 Amended Cluster Study. A Cluster Study Report will be amended to determine the facilities necessary to support the requested Initial Synchronization Date. This amended report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested Initial Synchronization Date. The LGIA will also be amended to reflect the results of the amended Cluster Study and any changes in obligations, including financial support, of the Parties.

SECTION 13. MISCELLANEOUS.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information treated as confidential under the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development,

business affairs, and pricing, and any information supplied by any of the Parties to the others prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by any Party, the other Party(ies) shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6 of this LGIP, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

13.1.2 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to

comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party(ies). The disclosure by each Party to the other Party(ies) of Confidential Information shall not be deemed a waiver by any Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first

Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules, regulations and Section 13.1.

13.1.9 Subject to the exception in Section 13.1.8 of this LGIP, any information that a Party claims is competitively sensitive, commercial or financial information (“Confidential Information”) shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting

confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Party's(ies') Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 The System Operator and Interconnecting Transmission Owner shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time when Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

The System Operator and Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. The Party using the services of a subcontractor shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay System Operator and Interconnecting Transmission Owner the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the System Operator and the Interconnecting Transmission Owner shall charge, and Interconnection Customer shall pay, the actual costs of the Interconnection Studies.

Any difference between the study deposit and the actual cost of the Interconnection Studies shall be paid by or refunded to, except as otherwise provided herein, to Interconnection Customer. Any invoices for

Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 of this LGIP that the System Operator or Interconnecting Transmission Owner will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 of this LGIP within the applicable timeframe for such Interconnection Study, then Interconnection Customer may request, which request will not be unreasonably denied, that the System Operator and Interconnecting Transmission Owner utilize a third party consultant reasonably acceptable to the System Operator, Interconnection Customer, Interconnecting Transmission Owner and any appropriate Affected Party or Internal Affected Party, to perform such Interconnection Study under the direction of the System Operator or Interconnecting Transmission Owner as applicable. At other times, System Operator or Interconnecting Transmission Owner may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where the System Operator or Interconnecting Transmission Owner determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with the System Operator and Interconnecting Transmission Owner's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer, System Operator and Interconnecting Transmission Owner shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. The System Operator and Interconnecting Transmission Owner shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon

Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. In any case, such third party contract may be entered into with the System Operator, Interconnection Customer, or Interconnecting Transmission Owner at the System Operator and Interconnecting Transmission Owner's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if the System Operator and Interconnecting Transmission Owner were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes.

The System Operator and Interconnecting Transmission Owner shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "Disputing Party") shall provide the other Party(ies) with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's(ies') receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, after thirty (30) Calendar Days, then (i) in the case of disputes arising out of or in conjunction with the LGIA, the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted LGIA, or amendment thereto, with the Commission in accordance with Section 11.3.4, or (ii) in the case of disputes arising out of or in connection with any other matter regarding the administration of the LGIP, the System Operator may terminate the Interconnection Request and Interconnection Customer may seek relief pursuant to Section 206 of the

Federal Power Act. Each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Schedule 22.

13.5.2 External Arbitration Procedures. Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons for such decision. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one-third of any associated arbitration costs; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties and one-third of any associated arbitration costs.

13.5.5 Non-binding Dispute Resolution Procedures. If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 of this LGIP, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that the other Parties engage in Non-binding Dispute Resolution pursuant to this Section 13.5.5 by providing written notice to the other Parties (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section 13.5.5 without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in this Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, System Operator must within thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with the Parties. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration, or in a Federal Power Act Section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Facilities Financed by Local Furnishing Bonds. This provision is applicable only to interconnections associated with facilities financed for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, the Interconnecting Transmission Owner shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status

of any local furnishing bond(s) used to finance the Interconnecting Transmission Owner's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service. If the Interconnecting Transmission Owner determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise Interconnection Customer within thirty (30) Calendar Days of receiving notice of the Interconnection Request. Interconnection Customer thereafter may renew its Interconnection Request using the process specified in the Tariff.

13.7 Engineering & Procurement ("E&P") Agreement

Prior to executing an LGIA, an Interconnection Customer may request, in order to advance the implementation of its interconnection, and the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party shall offer Interconnection Customer, an E&P Agreement that authorizes the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Interconnecting Transmission Owner or any Affected Party or Internal Affected Party shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer's Queue Position or Initial Synchronization Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer, including a deposit of 100 percent of the estimated engineering and study costs, and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or an E&P Agreement is terminated by any Party, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer

shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the Interconnecting Transmission Owner or the Affected Party or Internal Affected Party that is a party to an E&P Agreement may elect: (i) to take title to the equipment, in which event the Interconnecting Transmission Owner or relevant Affected Party or Internal Affected Party shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

APPENDICES TO LGIP

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY
AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTI-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 MULTI-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION
AGREEMENT

APPENDIX 11 LARGE GENERATION INTERCONNECTION AGREEMENT

APPENDIX 12 INTERCONNECTION PROCEDURES FOR WIND GENERATION

APPENDIX 1
INTERCONNECTION REQUEST

The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility to the Administered Transmission System under Schedule 22 - Large Generator Interconnection Procedures (“LGIP”) of the ISO New England Inc. Open Access Transmission Tariff (the “Tariff”). Capitalized terms have the meanings specified in the Tariff.

PROJECT INFORMATION

Proposed Project Name: _____

1. This Interconnection Request is for (check one):

- _____ A proposed new Large Generating Facility
- _____ An increase in the generating capacity or a modification that has the potential to be a Material Modification of an existing Generating Facility
- _____ Commencement of participation in the wholesale markets by an existing Generating Facility
- _____ A change from Network Resource Interconnection Service to Capacity Network Resource Interconnection Service

2. The types of Interconnection Service requested:

- _____ Network Resource Interconnection Service (energy capability only)
- _____ Capacity Network Resource Interconnection Service (energy capability and capacity capability)

☐ Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing

3. Interconnection Customer shall provide the following information:

Address or Location of the Facility (including Town/City, County and State):

Requested Point of Interconnection:

Type of Generating Facility to be Constructed:_____

Will the Generating Facility include electric storage capacity? Yes___No___

Will the electric storage device charge from the Administered Transmission System? Yes___No___

If yes, describe the electric storage device and specifications to include aggregate charging capability measured at the POI and the associated aggregate reactive capability measured at the high side of the main transformer:

Primary frequency response operating range for electric storage resources:

Generating Facility Fuel Type:

Generating Facility Capacity (MW):

Temperatures¹	Maximum Gross MW Electrical Output²	Maximum Net MW Electrical Output³	Net MW Capability at the Point of Interconnection⁴
At or above 90 degrees F			
At or above 50 degrees F			
At or above 20 degrees F			
At or above 0 degrees F			

Requested Interconnection Service (in MW):

Service Level⁵			Requested Net MW Capability at the Point of Interconnection⁴
CNR Capability Summer			
NR Capability Summer			
CNR Capability Winter			
NR Capability Winter			

Notes:

¹ In each row, insert all values corresponding to the given temperature, or a temperature greater than the given temperature, at which aggregate maximum gross output of the Generating Facility would be the highest. For example, if the aggregate maximum gross Generating Facility output occurs at 12 degrees F, all values in the “At or above 0 degrees F” row shall correspond to the 12 degrees F operating condition.

² Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility.

³ Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility less any station service at each generating unit’s terminal(s) or inverter/converter terminal(s), as applicable.

⁴ Measured at Interconnection Customer’s proposed Point of Interconnection. The values correspond to the requested levels of Interconnection Service pursuant to Section 3.1 of the LGIP. The values account for any station service, losses incurred in Interconnection Facilities, station or generator step up

transformers, and any other auxiliary systems. After the Interconnection Request is deemed valid, any increases to these values shall be subject to a new, separate Interconnection Request.

⁵ As described in Section II.48.1 for CNR Capability and II.48.2 for NR Capability.

General description of the equipment configuration, including any proposed control technologies to restrict the Large Generating Facility's output to the requested Interconnection Service levels, if applicable (# of units and GSUs):

Requested Commercial Operation Date:

Requested Initial Synchronization Date:

Requested In-Service Date:

Evidence of Site Control (check one):

_____ **For a request for CNR Interconnection Service: 100% exclusive Site Control in Interconnection Customer's name is provided herewith.**

_____ **For a request for NR Interconnection Service: 100% exclusive Site Control in Interconnection Customer's name is provided herewith; or in lieu of evidence of Site Control,**

_____ **a \$10,000/MW deposit subject to a minimum of \$500,000 and a maximum of \$2,000,000 is provided (refundable within the cure period as described in Section 3.4.3 of the LGIP), and.**

_____ **a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations, and**

_____ **documentation sufficiently describing and explaining the source and effects of such regulatory limitations**

Site Control is not provided because the proposed modification is to Interconnection Customer's existing Large Generating Facility and, by checking this option, Interconnection Customer certifies that it has Site Control and that the proposed modification does not require additional real property.

The ISO will post the Project Information on the ISO web site under "Interconnection Service" and the Interconnection Request Tracking Tool or IRTT.

CUSTOMER INFORMATION

Company Name: _____

ISO Customer ID#: _____

(Interconnection Customer)

Company Address: PO Box No.:

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ **FAX:** _____ **email:** _____

This Interconnection Request is submitted by:

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

In order for an Interconnection Request to be considered a valid request, it must include:

- (a) Be accompanied by all required deposits provided electronically and may be refundable in accordance with Section 3.4.2 of the LGIP;*
- (b) Required Cluster Study Deposit that may be refundable in accordance with Section 3.4.2 of the LGIP that is provided electronically;*
- (c) Commercial Readiness Deposit and may be refundable in accordance with Section 3.4.2 of the LGIP;*
- (d) For CNR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv). If for NR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv) or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. (An Interconnection Customer does not need to demonstrate Site Control for an Interconnection Request for a modification to its existing Large Generating Facility where Interconnection Customer has certified that it has Site Control and that the proposed modification does not require additional real property). Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;*

- (e) Include a detailed map, such as a map of the quality produced by the U.S. Geological Survey, which clearly indicates the site of the new facility and pertinent surrounding structures; and*
- (f) Include all information required on the Interconnection Request form and attachments thereto.*

The Interconnection Request and attachments thereto must be submitted to the System Operator via the Interconnection Request Tracking Tool or IRTT, a web-based application for submitting, tracking and viewing Interconnection Requests available on the ISO New England website.

The technical data required below must be inputted directly into IRTT and submitted with the Interconnection Request pursuant to Section 3.4.2 of the LGIP.

LARGE GENERATING FACILITY DATA

UNIT RATINGS

Kva	°F	Voltage
Power Factor		
Speed (RPM)		Connection (e.g. Wye)
Short Circuit Ratio		Frequency, Hertz
Stator Amperes at Rated Kva		Field Volts
Max Turbine MW	°F	

Primary frequency response operating range for electric storage resources:

Minimum State of Charge:

Maximum State of Charge:

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 90 ° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 50° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 20° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 0° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	=	kW sec/kVA
Moment-of-Inertia, WR ²	=	lb. ft. ²

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS	QUADRATURE AXIS
Synchronous – saturated	X _{dv}	X _{qv}
Synchronous – unsaturated	X _{di}	X _{qi}
Transient – saturated	X' _{dv}	X' _{qv}
Transient – unsaturated	X' _{di}	X' _{qi}
Subtransient – saturated	X'' _{dv}	X'' _{qv}
Subtransient – unsaturated	X'' _{di}	X'' _{qi}
Negative Sequence – saturated	X _{2v}	
Negative Sequence – unsaturated	X _{2i}	

FIELD TIME CONSTANT DATA (SEC)

Zero Sequence – saturated	X _{0v}	
Zero Sequence – unsaturated	X _{0i}	
Leakage Reactance	X _{lm}	
Open Circuit	T' _{qo}	T' _{do}
Three-Phase Short Circuit Transient	T' _{d3}	T' _q
Line to Line Short Circuit Transient	T' _{d2}	
Line to Neutral Short Circuit Transient	T' _{d1}	
Short Circuit Subtransient	T'' _d	T'' _q
Open Circuit Subtransient	T'' _{do}	T'' _{qo}

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T _{a3}
Line to Line Short Circuit	T _{a2}
Line to Neutral Short Circuit	T _{a1}

NOTE: If requested information is not applicable, indicate by marking “N/A.”

MW CAPABILITY AND PLANT CONFIGURATION
LARGE GENERATING FACILITY DATA
ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1	
Negative	R2	
Zero	R0	
Rotor Short Time Thermal Capacity I^2t	=	
Field Current at Rated kVA, Armature Voltage and PF	=	amps
Field Current at Rated kVA and Armature Voltage, 0 PF	=	amps
Three Phase Armature Winding Capacitance	=	microfarad
Field Winding Resistance	=	ohms °C
Armature Winding Resistance (Per Phase)	=	ohms °C

CURVES

As applicable, provide Saturation, Vee, Capacity Temperature Correction curves. A Reactive Capability is required for all Large Generating Facilities. As applicable, designate normal and emergency Hydrogen Pressure operating range for multiple curves.

MODELS FOR NON-SYNCHRONOUS GENERATORS

Models that meet the requirements of ISO New England Planning Procedures:

1. an appropriately parameterized library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, that corresponds to Interconnection Customer's Small Generating Facility, and,
2. a validated user-defined model where one exists for the equipment (i.e. where the manufacturer attests that a library model may fully capture the behavior of the equipment). The user model will only be used for the fuller understanding of equipment behavior and will not be used to finalize the upgrade requirements in the Cluster Study and will not be added to base cases going forward.
3. A validated electromagnetic transient model

Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection

Customer that the model accurately represents the entire Small Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Small Generating Facility; or test data).

Capacity	Self-cooled/Maximum Nameplate / Kva
Voltage Ratio	Generator side/System side/Tertiary / kV
Winding Connections	Generator side/System Side/Tertiary (Delta or Wye) /

Present Tap Setting

Positive	Z1 (on self-cooled kVA rating)	%	X/R
Zero	Z0 (on self-cooled kVA rating)	%	X/R

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (“PSS”) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND AND INVERTER-BASED GENERATORS

A completed Attachment A-1 Supplementary Wind and Inverter-Based Generating Facility Form to this Attachment A, must be supplied for all Interconnection Requests for wind and inverter-based Generating Facilities.

MODEL REQUIREMENTS

For all Generating Facility types: A completed, fully functioning, public (*i.e.*, non-proprietary, non-confidential) Siemens PTI's ("PSSE") power flow model or other compatible formats, such as IEEE and General Electric Company Power Systems Load Flow ("PSLF") data sheet, must be supplied with this Attachment A. If additional public data sheets are more appropriate to the proposed device then they shall be provided and discussed at the Scoping Meeting. For all Interconnection Studies commencing after January 1, 2017, all power flow models must be standard library models in PSS/E or applicable applications. After January 1, 2017, user-models will not be accepted.

A PSCAD model for all wind and inverter-based Generating Facilities and any Interconnection Facilities such as HVDC or auxiliary dynamic reactive devices must be supplied with this Attachment A. If a PSCAD model is deemed required for other Generating Facility types, such PSCAD model must be provided to the System Operator with this Appendix 1 Attachment A and A-1. A benchmarking analysis, consistent with the requirements in the ISO New England Planning Procedures and shall be provided with this Attachment A and A-1.

INDUCTION GENERATORS:

(*) Field Volts:

(*) Field Amperes:

(*) Motoring Power (kW):

(*) Neutral Grounding Resistor (If Applicable):

(*) I_2^2t or K (Heating Time Constant):

(*) Rotor Resistance:

(*) Stator Resistance:

(*) Stator Reactance:

(*) Rotor Reactance:

(*) Magnetizing Reactance:

(*) Short Circuit Reactance:

(*) Exciting Current:

(*) Temperature Rise:

(*) Frame Size:

(*) Design Letter:

(*) Reactive Power Required In Vars (No Load):

(*) Reactive Power Required In Vars (Full Load):

(*) Total Rotating Inertia, H: Per Unit on KVA Base

Note: Please consult System Operator prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Attachment A to the Interconnection Request is true and accurate.

For Interconnection Customer:_____Date:_____

**SUPPLEMENTARY WIND AND INVERTER-BASED GENERATING FACILITY AND
INTERCONNECTION FACILITIES DATA FORM**

- a) Attach a Geographic Map Demonstrating the Project Layout and its Interconnection to the Power Grid. (Specify the name of the attachment here)
- b) Attach a Bus-Breaker Based One-line Diagram (The diagram should include each of the individual unit generators, generator number, HVDC rating and terminal voltage.) (Specify the name of the attachment here)

i. Collection system detail impedance sheet

If a collector system is used, attach a collector system data sheet in accordance with the one-line diagram attached above. The data sheet should include: the type, length Z_0 , Z_1 and X_c/B of each circuit (feeder and collector string).

Specify the name of the attachment here: _____

ii. Collection system aggregate (equivalent) model data sheet

Attach an aggregate (equivalent) collection system data sheet. The data table should include: the type, length, Z_0 , Z_1 and X_c/B of the equivalent circuits (feeders and collector strings).

Specify the name of the attachment here: _____

- c) Summary of the Unit Models in the wind or inverter-based Generating Facility (*List all different unit models in the facility*)

Manufacturer Model	Type of this WTG* (if applicable)	Generator Unit Numbers in the field	Number(s) of these Units	Maximum Output of this Unit (MW)	Total MW

* Type 1 – Cage rotor induction generators

Type 2 – Induction generators with variable rotor resistance

Type 3 – Doubly-fed asynchronous generators with rotor-side converter

Type 4 – Full-power converter interface

Repeat the following sections from 4 to 12 for each different unit model.

d) Unit Detail Information

Unit Manufacturer Model	
Terminal Voltage	
Rating of Each Unit (MVA)	
Maximum Gross Electrical Output (MW)	
Minimum Gross Electrical Output (MW)	
Lagging Reactive Power Limit at Rated Real Power Output (MVAR)	
Leading Reactive Power Limit at Rated Real Power Output (MVAR)	
Lagging Reactive Power Limit at Zero Real Power Output (MVAR)	
Leading Reactive Power Limit at Zero Real Power Output (MVAR)	
Station Service Load (MW, MVAR)	
Minimum short circuit ratio (SCR) requirement by manufacturer	
On which bus the minimum SCR is required by manufacturer	
What voltage level the minimum SCR is required by manufacturer	
Positive sequence Xsource	
Zero sequence Xsource	

e) Unit GSU – _____

Nameplate rating (MVA)	
Total number of the GSUs	
Voltages, generator side/system side	
Winding connections, low voltage/high voltage	
Available tap positions on high voltage side	
Available tap positions on low voltage side	
Will the GSU operate as an LTC?	
Desired voltage control range if LTC	
Tap adjustment time (Tap switching delay + switching time) if LTC	
Desired tap position if applicable	
Impedance, Z1, X/R ratio	
Impedance, Z0, X/R ratio	

f) Low Voltage Ride Through (LVRT) – _____ (*Specify the Manufacturer Model of this Unit*)

Does each Unit have LVRT capability?

Yes___ No___

If yes, please provide:

i. Unit LVRT mode activation and release condition:

When operating at maximum real power, what is the Unit terminal voltage for LVRT mode activation? _____

When operating at maximum real power, what is the Unit terminal voltage for releasing LVRT mode after it is activated? _____

If there is different LVRT activation and release logic, please state here _____

- ii. A wind or other inverter-based generating facility technical manual from the manufacturer including description of LVRT functionality:

Attach the file and specify the name of the attachment here:

- iii. Does the wind or other inverter-based generating facility technical manual attached above include a reactive power capability curve?

Yes__ No__

If no, attach the file and specify the name of the attachment here:

- g) Low Voltage Protection (considering LVRT functionality)

(Specify the Manufacturer Model of this Unit)

Low Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

- h) High Voltage Protection - _____(Specify the Manufacturer Model of this Unit)

High Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

- i) Low Frequency Protection - _____(Specify the Manufacturer Model of this Unit)

Low Frequency Setting (Hz)	Relay Pickup Time (Seconds)

--	--

*Add more rows in the table as needed

- j) High Frequency Protection - _____(Specify the Manufacturer Model of this Unit

High Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

Please make sure the settings in sections 7 through 10 comply with NERC and NPCC standards for generator protection relays.

- k) Unit Reactive Power Control - ____ (Specify the Manufacturer Model of this Unit)

- i. What are the options for the Unit reactive power control (check all available)?

____Control the voltage at the Unit terminal
 ____Control constant power factor at the Unit terminal
 ____Control constant power factor at the low side of the station main transformer
 ____Control constant power factor at the high side of the station main transformer
 ____Control voltage at the low side of the station main transformer
 ____Control voltage at the high side of the station main transformer
 ____Other options. Please describe if select others_____

- ii. In all the control options selected above, please list the options in which the Unit is able to control its terminal voltage to prevent low/high voltage tripping.

- iii. What is the desired control mode from the selected options above? Specify the control plan in this mode. For example: control voltage at which bus to what schedule.

**WIND OR INVERTER-BASED GENERATING FACILITY AND INTERCONNECTION
FACILITIES MODELS**

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

A. Power flow model

- i. A *.RAW file including **aggregated/equivalent** wind or inverter-based generating facility and HVDC, if applicable, power flow model with appropriate parameters and settings.

*Attach the *.RAW file and specify the name of the attachment(s) here:*

- ii. A *.RAW file including **detailed** wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, power flow model with appropriate parameters and settings.

*Attach the *.RAW file and specify the name of the attachment(s) here:*

B. Dynamic simulation model(s)

(Please note that the dynamic model(s) must match the aggregated/equivalent power flow model(s) provided above. Attach the following information for each of the models.)

- i. Wind or inverter-based Generating Facility and Interconnection Facilities, if applicable,
Model(s) _____ (Please Specify the Manufacturer Model(s))

- ii) A compiled PSS/E dynamic model for the Generating Facility and Interconnection Facilities,
if necessary (a *.LIB or *.OBJ file)

*Attach the *.LIB or *.OBJ file(s) and specify the name(s) of the attachment(s) here:*

- iii) A dynamic data file with appropriate parameters and settings for the Generating Facility and Interconnection Facilities, if applicable, (typically a *.DYR file)

Attach the *.DYR file(s) and specify the name(s) of the attachment(s) here:

- iv) PSS/E wind or inverter-based Generating Facility model user manual for the Generating Facility and Interconnection Facilities

Attach and specify the name of the attachment here:

Repeat the above sections for each different wind or inverter-based generating facility model.

C. Power Plant Controller

For wind or inverter-based Generating Facility, will PPC have the ability to centrally control the output of the units? Yes__ No__

- i) Manufacturer model of the power plant controller

- ii) What are the reactive power control strategy options of the power plant controller?

- iii) Which of the control options stated above is being used in current operation?

- iv) Is the power plant controller able to control the unit terminal voltages to prevent low/high voltage tripping?

Yes__ No__

Please provide the park controller technical manual from the manufacturer

Attach the file and specify the name of the attachment here:

D. Station Transformer

Transformer Name		
Nameplate ratings (MVA)		
Total number of the main transformer(s)		
Voltage, High/Low/Tertiary (kV)		
Winding connections, High/Low Tertiary		
Available tap positions on high voltage side		
Available tap positions on low voltage side		
Will the transformer operate as a LTC?		
Desired voltage control range if LTC		
Tap adjustment time (Tap switching delay + switching time) if LTC		
Desired tap position if applicable		
Tap adjustment time (Tap switching delay + switching time)		
Impedance Z_1 , X/R ratio	Z_{1H-L}	X/R
	Z_{1H-T}	X/R
	Z_{1T-L}	X/R
Impedance Z_0 , X/R ratio	Z_{0H-L}	X/R
	Z_{0H-T}	X/R
	Z_{0T-L}	X/R

E. Dynamic Simulation Model for the Power Plant Controller(s)

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

- i) A compiled PSS/E dynamic model for the power plant controller(s) (a *.LIB or *.OBJ file)

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

- ii) A dynamic data file with appropriate parameters and settings for the power plant controller(s) (typically a *.DYR file).

Attach the *.DYR file and specify the name of the attachment here:

- iii) PSS/E model user manual for the power plant controller(s)

Attach the manual and specify the name of the attachment or specify the name of the attachment here:_____

F. Capacitors and Reactors

Please provide necessary modeling data for all the capacitors and reactors that are part of the Interconnection Facilities, including: size, basic electrical parameters, connecting bus, switched or fixed, etc.

G. Dynamic Device(s)

(All model files provided under this section 17 should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England standard library models in PSS/E or applicable applications.)

- i) Provide necessary modeling data file for all the dynamic devices belong to the facility.

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

- ii) A dynamic data file containing the parameters for the units (typically a *.DYR file).

Set the parameters in accordance with the desired control mode.

Attach the *.DYR file and specify the name of the attachment here:

H. Collection System/Transformer Tap-Setting Design

Attach a collection system/transformer tap-setting design calculations, consistent with the requirements in the ISO New England Planning Procedures, that identify the calculations to support the proposed tap settings for the unit step-up transformers and the station step-up transformers.

Attached the design document and specify the name of the attachment here:

I. Provide PSCAD Model and documentation for the wind or inverter-based Generating Facility, the Power Plant Controller(s) and Other Dynamic Devices or HVDC

CLUSTER SYSTEM IMPACT STUDY APPLICATION FORM

The undersigned Interconnection Customer submits this form to request the inclusion of the Interconnection Request for its Large Generating Facility in a Cluster Interconnection System Impact Study pursuant to Section 4.2.3 of this LGIP.

To be included in a Cluster Interconnection System Impact Study, the following must be submitted together with this form to the System Operator by the Cluster Entry Deadline:

1. Project Information:

- a. Project Name: _____
- (a) Queue Position: _____
- (b) Is the Interconnection Request contractually associated with an Interconnection Request for an Elective Transmission Upgrade? Yes ____ No ____
If yes, identify Queue Position of the associated Interconnection Request and provide evidence of the contractual commitment. Queue Position No.: _____

2. Initial CETU Participation Deposit as specified in Section 4.2.3

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Customer: _____ Date: _____ For Interconnection

SURPLUS INTERCONNECTION SERVICE REQUEST APPLICATION

The Surplus Interconnection Customer submits this application to request Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

**SURPLUS INTERCONNECTION CUSTOMER AND ORIGINAL INTERCONNECTION
CUSTOMER INFORMATION**

Surplus Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Attachment C (page 2)
To Appendix 1
Surplus Interconnection Service
Request Application

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ E-mail: _____

Original Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ email: _____

PROJECT INFORMATION

Description of the Original Interconnection Customer's Large Generating Facility:

Description of the Surplus Interconnection Customer's Generating Facility:

Select Type of Interconnection Service for the Surplus Interconnection Customer's Generating Facility:

☐ CNR Interconnection Service

☐ NR Interconnection Service

Specify the amount of Unused Capability at the corresponding CNR Interconnection Service or NR Interconnection Service available for the Surplus Interconnection Customer's Generating Facility:

Requested Commercial Operations Date for the Surplus Interconnection Customer's Generating Facility:

Requested Initial Synchronization Date for the Surplus Interconnection Customer's Generating Facility:

Requested In-Service Date for the Surplus Interconnection Customer's Generating Facility:

To request Surplus Interconnection Service, the Surplus Interconnection Customer shall provide the following, together with this Surplus Interconnection Service Request Application:

- 11 The Original Interconnection Customer's written consent for the Surplus Interconnection Customer's Generating Facility to use Unused Capability associated with Interconnection Service established under the Interconnection Agreement for the Original Interconnection Customer's Generating Facility, together with a copy of that Interconnection Agreement;
- 12 A detailed description of the Original Interconnection Customer's Generating Facility and the Surplus Interconnection Customer's Generating Facility and their respective Interconnection Facilities and existing Point of Interconnection and Point of Change of Ownership, together with a completed Attachment A and Attachment A-1, as applicable, to Appendix 1 of this LGIP, including a site electrical one-line diagram reflecting both the Original Interconnection Customer's Generating Facility and the proposed Surplus Interconnection Customer's Generating Facility and a plot plan; and
- 13 Site Control for the Surplus Interconnection Customer's Generating Facility.

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Original Interconnection Customer or the Surplus Interconnection Customer as may reasonably become necessary to facilitate their review of the Surplus Interconnection Service request.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

APPENDIX 2
CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility to the Administered Transmission System;

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform a Cluster Study to assess the impact of interconnecting the Large Generating Facility to the Administered Transmission System, and any Internal Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection Procedure (“LGIP”).
- 2.0 Interconnection Customer elects and System Operator and Interconnecting Transmission Owner shall cause to be performed a Cluster Study consistent with Section 7.0 of the LGIP in accordance with the Tariff.

- 3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Cluster Study will be based upon the technical information provided by Interconnection Customer in Attachment A (and Attachment A-1 as applicable) to the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. System Operator and Interconnecting Transmission Owner reserve the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.
- 5.0 The Cluster Study Report shall provide the following information:
- identification of any circuit breaker or other facility short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload of any transmission facility or system voltage limit violations resulting from the interconnection;
 - initial review of grounding requirements and electric system protection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - identification of Contingent Facilities; and
 - description and non-binding, good faith estimated cost of and the time to construct the facilities required to interconnect the Large Generating Facility to the Administered Transmission System and to address the identified short circuit, instability, and power flow issues.

The Cluster Study Deposit shall be applied toward the cost of the Cluster Study and the development of this Cluster Study Agreement and its attachment(s) and the LGIA. Interconnecting Transmission Owner's and System Operator's good faith estimate for the times of commencement and completion of the Cluster Study is [insert dates].

The total estimated cost of the performance of the Interconnection Cluster Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____.

Any difference between the deposit and the actual cost of the Cluster Study shall be paid by or refunded to the Interconnection Customer, as appropriate.

Upon receipt of the Cluster Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection System Impact Study each month.

Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the LGIP, in performing the Cluster Study, System Operator and Interconnecting Transmission Owner shall coordinate with Internal Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may

not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Cluster Study, the content of the Cluster Study, or the conclusions of the Cluster Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not

be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, an Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members,

employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 6.4 Third-Party Beneficiaries. Without limitation of Sections 6.2 and 6.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, a Cluster Study shall be deemed third party beneficiaries of Sections 6.2 and 6.3.
- 6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed

severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

- 6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

**ASSUMPTIONS USED IN CONDUCTING THE
CLUSTER STUDY**

The Cluster Study will be based upon the *technical information provided by Interconnection Customer in the Interconnection Request* subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

APPENDIX 3
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator and Interconnecting Transmission Owner have completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have

the meanings indicated in the Commission-approved Large Generator Interconnection Procedures (“LGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).

- 2.0 Interconnection Customer elects and System Operator shall cause an Interconnection Facilities Study consistent with Section 8.0 of the LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Administered Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Cluster Study.
- 5.0 The Interconnection Customer is providing a Commercial Readiness Deposit per Section 8.1 of this LGIP to enter the Interconnection Facilities Study and the greater of 25 percent of the estimated cost of the Interconnection Facilities Study or \$250,000.

The deposit shall be applied toward the cost of the Interconnection Facilities Study and the development of this Interconnection Facilities Study Agreement and its attachment(s) and the LGIA. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

The total estimated cost of the performance of the Interconnection Facilities Study consists of \$_____ which is comprised of the System Operator’s estimated cost of \$_____ and the Interconnecting Transmission Owner’s estimated cost of \$_____.

Any difference between the deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to the Interconnection Customer, as appropriate.

Upon receipt of the Interconnection Facilities Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. System Operator and

Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the LGIP, in performing the Interconnection Facilities Study, Interconnecting Transmission Owner and System Operator shall coordinate with Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study.

Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System

Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable

operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 6.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

- 6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE
INTERCONNECTION FACILITIES STUDY**

Interconnection Customer elects (check one):

- b. +/- 20 percent cost estimate contained in the Interconnection Facilities Study report.
- c. +/- 10 percent cost estimate contained in the Interconnection Facilities Study report.

Interconnecting Transmission Owner and System Operator shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing New England Transmission System station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on Current Transformer/Power Transformer (“CT/PT”))

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on one line).

What type of control system or Power Line Carrier (“PLC”) will be located at the Interconnection Customer’s Large Generating Facility?

What protocol does the control system or PLC use?

Attachment B (page 2)
Appendix 3
Interconnection Facilities
Study Agreement

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Interconnecting Transmission Owner's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with System Operator and Interconnecting Transmission Owner.

Is the Large Generating Facility in Interconnecting Transmission Owner's service area?

Yes _____ No _____ Local provider:

Please provide proposed schedule dates:

Begin Construction Date:

Generator step-up transformer Date:

Receives back feed power Date

Generation Testing Date:

Commercial Operation Date:

APPENDIX 4
OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection to the Administered Transmission System; and

WHEREAS, Interconnection Customer has submitted to System Operator an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the Cluster Study results, Interconnection Customer has further requested that the System Operator and Interconnecting Transmission Owner prepare an Optional Interconnection Study.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection

Procedures (“LGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).

- 2.0 Interconnection Customer elects and System Operator shall cause an Optional Interconnection Study consistent with Section 10.0 of the LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Interconnecting Transmission Owner’s Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.

In accordance with the LGIP, in performing the Optional Interconnection Study, the System Operator shall coordinate with Interconnecting Transmission Owner and Affected Parties and Internal Affected Parties, and shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

- 6.0 The Interconnection Customer is providing a deposit equal to 100 percent of the estimated cost of the study. Interconnecting Transmission Owner’s and System Operator’s good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

The total estimated cost of the performance of the Optional Interconnection Study consists of \$_____ which is comprised of the System Operator’s estimated cost of \$_____ and the Interconnecting Transmission Owner’s estimated cost of \$_____.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Optional Interconnection Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Optional Interconnection Study. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Optional Interconnection Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Optional Interconnection Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Optional Interconnection Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Optional Interconnection Study, the content of the Optional Interconnection Study, or the conclusions of the Optional Interconnection Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers,

employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owners under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Optional Interconnection Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Optional Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located, without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A

Appendix 4

Optional Interconnection

Study Agreement

**ASSUMPTIONS USED IN CONDUCTING
THE OPTIONAL INTERCONNECTION STUDY**

[To be completed by Interconnection Customer consistent with Section 10 of the LGIP.]

**APPENDIX 5 to LGIP
TRANSITIONAL CLUSTER STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”), and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). System Operator, Interconnection Customer and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested Interconnecting Transmission Owner and System Operator to perform a “Transitional Cluster Study,” which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of the {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Interconnection Customer elects, and System Operator shall cause to be performed, a Transitional Cluster Study, and Interconnection Customer elects that System Operator study the Large Generating Facility's request for.

_____ Network Resource Interconnection Service (energy capability only)

_____ Capacity Network Resource Interconnection Service (energy capability and capacity capability)

- ☐ Interconnection Customers seeking to complete studies for CNRIS for Interconnection Requests for which NRIS milestones have already been completed shall check this box and fill in the table below

Service Level	Requested Net MW Capability at the Point of Interconnection
CNR Capability Summer	
CNR Capability Winter	

- ☐ Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing.

3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. System Operator reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this LGIP, the interim Transitional Cluster Study Report shall provide the information below:

- ii) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - iii) identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - iv) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
 - v) Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.
- 5.0 Pursuant to Section 5.1.1.2 of this LGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.
- 6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this LGIP.
- 7.0 Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Interconnection Customer shall provide additional study deposits in the form described in Section 5.1.1.2. System Operator may invoice for additional costs as appropriate such that Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this LGIP.

8.0 Miscellaneous.

8.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

8.2 Disclaimer of Warranty. In preparing and/or participating in the Transitional Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Transitional Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Transitional Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Transitional Cluster Study , the content of the Transitional Cluster Study , or the conclusions of the Transitional Cluster Study . Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

8.3 Force Majeure, Liability and Indemnification.

8.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the

System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

8.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

8.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

8.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Transitional Cluster Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

8.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Transitional Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the

Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 8.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 8.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 8.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 8.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 8.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 8.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 8.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

8.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: ____

Title: __

Date: __

{Insert name of Interconnecting Transmission Owner }

By: ____

Title: __

Date: __

{Insert name of Interconnection Customer}

By: ____

Title: __

Date: __

APPENDIX 6 to LGIP
TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of ___, 20___, by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Large Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated ____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final Cluster Study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator has provided an Interconnection Facilities Study Agreement to the Interconnection Customer on or before {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- 2.0 Interconnection Customer elects and Interconnecting Transmission Owner shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this LGIP.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by the Interconnection Customer.
- 4.0 The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Administered Transmission System; and (2) address the short circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.
- 5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this LGIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than one hundred and fifty (150) Calendar Days after {System Operator to insert Commission-approved effective date of compliance filing}.
- 6.0 Interconnection Customer previously provided a deposit of _____ dollars (\$____) for the performance of the Interconnection Facilities Study.
- 7.0 Upon receipt of the Interconnection Facilities Study results, Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.
- 8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

9.0 Miscellaneous.

9.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

9.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

9.3 Force Majeure, Liability and Indemnification.

9.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to

make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 9.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 9.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.
- 9.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 9.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to

the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 9.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 9.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 9.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 9.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 9.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 9.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 9.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 9.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Interconnecting Transmission Owner }

By: ____

Title: _

Date: _

ISO New England Inc.

By: ____

Title: _

Date: _

{Insert name of Interconnection Customer}

By: ____

Title: _

Date: _

Attachment A to Appendix 6
Transitional Serial Interconnection Facilities Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL
INTERCONNECTION FACILITIES STUDY**

{ Assumptions to be completed by Interconnection Customer and Interconnecting Transmission Owner }

APPENDIX 7 to LGIP
TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customer and System Operator each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- 2.0 System Operator shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this LGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, System Operator shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection

Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

- 7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.
- 7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 7.3 Force Majeure, Liability and Indemnification.
 - 7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is

hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.
- 7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to

the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

Attachment A to Appendix 7
Two-Party Affected System Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:

{ Assumptions to be completed by Affected System Interconnection Customer and System Operator }

APPENDIX 8 to LGIP
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

- 2.0 System Operator shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this LGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.
- 6.0 Affected System Interconnection Customers shall each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, System

Operator shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 Miscellaneous

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any

obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the

performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement

shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

Attachment A to Appendix 8
Multiparty Affected System Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:

{ Assumptions to be completed by Affected System Interconnection Customers and System Operator }

APPENDIX 9 TO LGIP
TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2

TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the Parties agree to mutually terminate this Agreement; (2) earlier termination is permitted or provided for under Appendix A of this Agreement; or (2) Affected System Interconnection Customer terminates this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by System Operator and Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if Affected System

Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Interconnecting Transmission Owner for any such damages, including costs and expenses, incurred by Interconnecting Transmission Owner as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Interconnecting Transmission Owner, Affected System Interconnection Customer shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of

Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Interconnecting Transmission Owner written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System

Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Interconnecting Transmission Owner of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify Affected System Interconnection Customer. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or

delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report

payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for

which Affected System Interconnection Customer has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or which Interconnecting Transmission Owner may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Interconnecting Transmission Owner shall

appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Affected System Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching

Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the “Cure Period”) which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties’ obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, Interconnecting Transmission Owner shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8

CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is

required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally

compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been

received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected

System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders,

officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this

Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Attachment A to Appendix 9
Two-Party Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 9

Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Interconnecting Transmission Owner} and {Affected System Interconnection Customer}, dated _____, 20__.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Interconnecting Transmission Owner Representative}

Attachment C to Appendix 9

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement among Affected System Interconnection Customer and Interconnecting Transmission Owner.

Exhibit A1
Interconnecting Transmission Owner Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Interconnecting Transmission Owner	Estimate in Dollars
		Total:	

APPENDIX 10 TO LGIP
MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner Interconnecting Transmission Owner). Affected System Interconnection Customers and Interconnecting Transmission Owner Interconnecting Transmission Owner each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host Interconnecting Transmission Owner}, dated _____, for which {name of host Interconnecting Transmission Owner} found impacts on New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host Interconnecting Transmission Owner}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2 TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Interconnecting Transmission Owner of the amount funded by Affected System Interconnection Customers for Interconnecting Transmission Owner's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host Interconnecting Transmission

Owner} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Interconnecting Transmission Owner within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Interconnecting Transmission Owner for any such damages, including costs and expenses incurred by Interconnecting Transmission Owner as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Interconnecting Transmission Owner shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Interconnecting Transmission Owner to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Interconnecting Transmission Owner, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary,

based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customers shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all

costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Interconnecting Transmission Owner written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be

constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected

System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify all other Parties. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively

responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of the Interconnecting Transmission Owner's pro forma LGIA, each Affected System Interconnection Customer shall be entitled to a cash repayment by Interconnecting Transmission Owner of the amount each Affected System Interconnection Customer paid to Interconnecting Transmission Owner, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from

all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or to which Interconnecting Transmission Owner may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner

is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which such Affected System Interconnection Customer(s) may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is

withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a

Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5
BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.2.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Interconnecting Transmission Owner.

Interconnecting Transmission Owner may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Interconnecting Transmission Owner must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, each Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for its share of any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, Interconnecting Transmission Owner shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8

CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental

Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally

compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has

been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected

System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Affected System Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders,

officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this

Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Attachment A to Appendix 10
Multiparty Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

* Affected System Interconnection Customers’ proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ____._%

Affected System Interconnection Customer 2 ____._%

Affected System Interconnection Customer N ____._%

Note: Affected System Interconnection Customers’ payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 10

Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among { Interconnecting Transmission Owner } and {Affected System Interconnection Customers}, dated _____, 20__.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{ Interconnecting Transmission Owner Representative}

Attachment C to Appendix 10

Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

Exhibit A1
Transmission Provider Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
		Total:	

APPENDIX 11
LARGE GENERATOR INTERCONNECTION
AGREEMENT

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THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), ISO New England Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnecting Transmission Owner"). Under this Agreement, the Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, System Operator is the central dispatching agency provided for under the Transmission Operating Agreement ("TOA") which has responsibility for the operation of the New England Control Area from the System Operator control center and the administration of the Tariff; and

WHEREAS, Interconnecting Transmission Owner is the owner or possessor of an interest in the Administered Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and

WHEREAS, System Operator, Interconnection Customer and Interconnecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1. DEFINITIONS

The definitions contained in this Article 1 and those definitions embedded in an Article of this Agreement are intended to apply in the context of the generator interconnection process provided for in Schedule 22 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under Schedule 22. Capitalized terms in Schedule 22 that are not defined in this Article 1 shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this LGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection

Customer's proposed interconnection to a transmission system other than New England Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this LGIP that is made between System Operator and Affected System Interconnection Customer to conduct an External Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this LGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Party.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3 of the Large Generator Interconnection Procedures (“LGIP”).

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including

protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Large Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in

accordance with Attachment K, Section 2 of the Tariff. The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this LGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting

Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.*

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision,

legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner’s Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Large Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner’s Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner’s Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this LGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean the Interconnecting Transmission Owner's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for the Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy or Cluster Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of this LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the LGIP.

Interconnection Request (a) shall mean an Interconnection Customer's request, in the form of Appendix 1 to the LGIP, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generating Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by System Operator and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the LGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment and the Optional Interconnection Study described in the LGIP.

Interconnection Study Agreement shall mean any of the following agreements: Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to the LGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this LGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean (i) except as expressly provided in Section 4.4.1, 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 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 Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond the Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 10 to this LGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this LGIP that is made among Interconnection Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource (“NR”) shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability (“NR Capability”) shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service (“NR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer’s NR Interconnection Service shall be solely for the megawatt amount of the NR Capability requested pursuant to Section 3.1 of the LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of the LGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer’s Interconnection Facilities connect to Interconnecting Transmission Owner’s Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. The System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide the Interconnection Customer a written technical explanation outlining why the System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement (“LGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in this Schedule 22 to the Tariff.

Standard Large Generator Interconnection Procedures (“LGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in this Schedule 22 to the Tariff.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for a Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

Study Case shall have the meaning specified in Section 7.3 of this LGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions and associated equipment that are required at the substation located at the Point of Interconnection.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by the Commission (if applicable), or if filed unexecuted, upon the date specified by the Commission. System Operator and Interconnecting Transmission Owner shall promptly and

jointly file this LGIA with the Commission upon execution in accordance with Section 11.3 of the LGIP and Article 3.1, if required.

2.2 Term of Agreement. This LGIA, subject to the provisions of Article 2.3, and by mutual agreement of the Parties, shall remain in effect for a period of _____ years from the Effective Date (*term to be specified in individual Agreement, but in no case should the term be less than ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request*) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by the Interconnection Customer, subject to continuing obligations of this LGIA and the Tariff, after giving the System Operator and Interconnecting Transmission Owner ninety (90) Calendar Days advance written notice, or by System Operator or Interconnecting Transmission Owner notifying the Commission after a Generating Facility retires pursuant to the Tariff, provided that if an Interconnection Customer exercises its right to terminate on ninety (90) Calendar Days, any reconnection would be treated as a new interconnection request; or this LGIA may be terminated by Interconnecting Transmission Owner or System Operator by notifying the Commission after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Each Party may terminate this LGIA in accordance with Article 17. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing, if applicable, with the Commission of a notice of termination of this LGIA, which notice has been accepted for filing by the Commission. Termination of the LGIA shall not supersede or alter any requirements for deactivation or retirement of a generating unit under ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

2.4 Termination Costs. If a Party elects to terminate this LGIA pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party(ies), as of the

date of such Party's(ies') receipt of such notice of termination, that are the responsibility of such Party(ies) under this LGIA. In the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by the Commission:

- 2.4.1 With respect to any portion of the Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades to the extent covered by this LGIA, that have not yet been constructed or installed, the Interconnecting Transmission Owner shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Interconnecting Transmission Owner shall deliver such material and equipment, and, if necessary, and to the extent possible, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Interconnecting Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer, either (i) in the case of overpayment, Interconnecting Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts, or (ii) in the case of underpayment, Interconnection Customer shall promptly pay such amounts still due plus any costs, including penalties incurred by Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.
- If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which the Interconnecting Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

- 2.4.2 Interconnecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5 Disconnection.** Upon termination of this LGIA, Interconnection Service shall terminate and, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Interconnecting Transmission Owner's Interconnection Facilities. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from a non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.
- 2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party(ies) pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

- 3.1 Filing.** The System Operator and Interconnecting Transmission Owner shall jointly file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required, in accordance with Section 11.3 of the LGIP. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the System Operator and

Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by the System Operator and/or the Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

ARTICLE 4. SCOPE OF SERVICE

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type(s) of Interconnection Service:

Check: ☐ NR for NR Interconnection Service (NR Capability Only)

☐ CNR for CNR Interconnection Service (CNR Capability and NR Capability)

4.1.1 Capacity Network Resource Interconnection Service (CNR Interconnection Service).

4.1.1.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and the Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which all other Capacity Network Resources are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows the Interconnection Customer's Large Generating Facility to be designated as a Capacity Network Resource, to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the net CNR Capability, or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as all other existing Capacity Network Resources, and to be studied as a Capacity Network Resource on the assumption that such a designation will occur.

4.1.2 Network Resource Interconnection Service (NR Interconnection Service).

4.1.2.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which all other Network Resources are interconnected under the NC Interconnection Standard.

NR Interconnection Service allows the Interconnection Customer's Large Generating Facility to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the gross and net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff. Notwithstanding the above, the portion of a Large Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, unless pursuant to a new Interconnection Request for CNR Interconnection Service.

4.2 Provision of Service. System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such requirements and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is the Interconnecting Transmission Owner, then that Party shall amend the LGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service, or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Transmission Delivery Service Implications. CNR Interconnection Service and NR Interconnection Service allow the Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on the New England Transmission System as a Capacity Network Resource or Network Resource, up to the net CNR Capability or NR Capability, respectively, on the same basis as all other existing Capacity Network Resources and Network Resources interconnected to the New England Transmission System, and to be studied as a Capacity Network Resource or a Network Resource on the assumption that such a designation will occur. Although CNR Interconnection Service and NR Interconnection Service do not convey a reservation of transmission service, any Network Customer can utilize its network service under the Tariff to obtain delivery of capability from the Interconnection Customer's Large Generating Facility in the same manner as it accesses Capacity Network Resources and Network Resources. A Large Generating Facility receiving CNR Interconnection Service or NR Interconnection Service may also be used to provide Ancillary Services, in accordance with the Tariff and Market Rule 1, after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Capacity Network Resource or Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Capacity Network Resource or as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all Generating Facilities that are similarly situated.

CNR Interconnection Service and NR Interconnection Service do not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on the New England Transmission System without incurring congestion costs. In the event of transmission constraints on the New England Transmission System, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures for the New England Transmission System in the same manner as other Capacity Network Resources or Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Large Generating Facility be designated as a Capacity Network Resource or as a Network Resource by a Network Service Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as either a Capacity Network Resource or a Network Resource, it must do so pursuant to the Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining CNR Interconnection Service or NR Interconnection Service, as long as the Large Generating Facility has not been deemed to be retired, any future transmission service request for delivery from the Large Generating Facility on the New England Transmission System of any amount of capacity capability and/or energy capability will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Capacity Network Resource or Network Resource, and regardless of changes in ownership of the Large Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long-term transmission service for deliveries from the Large Generating Facility outside the New England Transmission System, or if the unit has been deemed to be retired, such request may require additional studies and upgrades in order for Interconnecting Transmission Owner to grant such request.

- 4.6 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.4. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall specify the In-Service Date, Initial Synchronization Date, and Commercial Operation Date as specified in the Interconnection Request or as subsequently revised pursuant to Section 4.4 of

the LGIP; and select either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B (Milestones). At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Interconnecting Transmission Owner, the Interconnection Customer shall notify Interconnecting Transmission Owner within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build. In accordance with Section 8 of the LGIP and unless otherwise mutually agreed, the Alternate Option is not an available option if the Interconnection Customer waived the Interconnection Facilities Study.

5.1.1 Standard Option. The Interconnecting Transmission Owner shall design, procure, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B (Milestones). The Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Interconnecting Transmission Owner reasonably expects that it will not be able to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the specified dates, the Interconnecting Transmission Owner shall promptly provide written notice to the Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities by the designated dates.

If Interconnecting Transmission Owner subsequently fails to complete Interconnecting Transmission Owner's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B (Milestones); Interconnecting Transmission Owner shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable System Operator refuses to grant clearances to install equipment.

5.1.3 Option to Build. Individual or Multiple Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of new Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2 if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to Interconnecting Transmission Owner an agreement regarding responsibilities and payment for the construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. The System Operator, Interconnecting Transmission Owner, and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to the LGIA. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, the Parties shall in good faith attempt

to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Interconnecting Transmission Owner shall assume responsibility for the design, procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) The Interconnection Customer shall commit in the LGIA to a schedule for the completion of, and provide the System Operator evidence of proceeding with: (a) engineering and design of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades, (b) procurement of necessary equipment and ordering of long lead time material, and (c) construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;
- (2) The Interconnection Customer shall engineer, procure equipment, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Interconnecting Transmission Owner;
- (3) Interconnection Customer's engineering, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Interconnecting Transmission Owner would be subject in the engineering, procurement or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(4) Interconnecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(5) Prior to commencement of construction, Interconnection Customer shall provide to Interconnecting Transmission Owner any changes to the schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades reflected in Appendix B (Milestones), and shall promptly respond to requests for information from Interconnecting Transmission Owner;

(6) At any time during construction, Interconnecting Transmission Owner shall have the right to gain unrestricted access to the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Interconnecting Transmission Owner, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(8) The Interconnection Customer shall indemnify the Interconnecting Transmission Owner for claims arising from the Interconnection Customer's construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 (Indemnity);

(9) The Interconnection Customer shall transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the Interconnecting Transmission Owner prior to the In-Service Date;

(10) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner prior to the In-Service Date;

(11) Interconnecting Transmission Owner shall approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2;

(12) Interconnection Customer shall deliver to Interconnecting Transmission Owner "as built" drawings, information, and any other documents that are reasonably required by Interconnecting Transmission Owner to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Interconnecting Transmission Owner; and

(13) Interconnection Customer shall pay Interconnecting Transmission Owner the agreed upon amount of [\$ PLACEHOLDER] for Interconnecting Transmission Owner to execute responsibilities enumerated to Interconnecting Transmission Owner under this Article 5.2. Interconnecting Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Interconnecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Interconnecting Transmission Owner to the Interconnection Customer in the event that Interconnecting Transmission Owner does not complete any portion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, in the aggregate, for which Interconnecting Transmission Owner has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which the Interconnecting Transmission Owner has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Interconnecting Transmission Owner to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Interconnecting Transmission Owner's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless the Interconnection Customer would have been able to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Interconnecting Transmission Owner's delay; (2) the Interconnecting Transmission Owner's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with the Interconnecting Transmission Owner or any cause beyond Interconnecting Transmission Owner's reasonable control or reasonable ability to cure, including, but not limited to, actions by the System Operator that cause delays and/or delays in licensing, permitting or consents where the Interconnecting Transmission Owner has pursued such licenses, permits or consents in good faith; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. If a Power System Stabilizer is required to be installed on the Large Generating Facility for the purpose of maintaining system stability, the Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the System Operator and Interconnecting Transmission

Owner, and consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator and Interconnecting Transmission Owner reserve the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the System Operator and Interconnecting Transmission Owner, or their designated representative. The requirements of this paragraph shall not apply to non-synchronous power production equipment.

5.5 Equipment Procurement. If responsibility for construction of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades is to be borne by the Interconnecting Transmission Owner, then the Interconnecting Transmission Owner shall commence design of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The Interconnecting Transmission Owner has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 The Interconnecting Transmission Owner has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B (Milestones); and

5.5.3 The Interconnection Customer has provided security to the Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.6 Construction Commencement. The Interconnecting Transmission Owner shall commence construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades;
- 5.6.3** The Interconnecting Transmission Owner has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B (Milestones); and
- 5.6.4** The Interconnection Customer has provided security to Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).
- 5.7 Work Progress.** The Interconnection Customer and the Interconnecting Transmission Owner shall keep each Party informed, by written quarterly progress reports, as to the progress of their respective design, procurement and construction efforts in order to meet the dates specified in Appendix B (Milestones). Any Party may also, at any other time, request a written progress report from the other Parties. If, at any time, the Interconnection Customer determines that the completion of the Interconnecting Transmission Owner's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer, upon the System Operator's approval that the change in the In-Service Date will not constitute a Material Modification pursuant to Section 4.4 of the LGIP, will provide written notice to the Interconnecting Transmission Owner of such later date upon which the completion of the Interconnecting Transmission Owner's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the New England Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Other Interconnection Options.**

5.9.1 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, System Operator and the Interconnecting Transmission Owner may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies. System Operator and Interconnecting Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Large Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Large Generating Facility are in place prior to the commencement of Interconnection Service from the Large Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Large Generating Facility are not

currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Large Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated each time the conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's Queue Position and associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF"). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.10.1 Large Generating Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Interconnecting Transmission Owner at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Interconnecting Transmission Owner shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Interconnecting Transmission Owner's Review. Interconnecting Transmission Owner's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Interconnecting Transmission Owner, in accordance with Good Utility Practice, to ensure

that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Interconnecting Transmission Owner “as-built” drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer’s step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facilities. The Interconnection Customer shall provide Interconnecting Transmission Owner specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Interconnecting Transmission Owner’s Interconnection Facilities Construction. The Interconnecting Transmission Owner’s Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnecting Transmission Owner shall deliver to the Interconnection Customer the following “as-built” drawings, information and documents for the Interconnecting Transmission Owner’s Interconnection Facilities. The appropriate drawings and relay diagrams shall be included in Appendix A of this LGIA.

The System Operator will obtain operational control of the Interconnecting Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities pursuant to the TOA.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (“Granting Party”) shall furnish at the incremental cost

to another Party (“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents if allowed under the applicable agency agreement, that are necessary to enable the Access Party solely to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Administered Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the New England Transmission System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of the Interconnecting Transmission Owner’s Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall at Interconnection Customer’s expense use Reasonable Efforts, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Interconnecting Transmission Owner’s Interconnection Facilities and/or Network Upgrades upon such property. Notwithstanding the foregoing, the Interconnecting Transmission Owner shall not be obligated to exercise eminent domain authority in a manner inconsistent with Applicable Laws and Regulations or when an Interconnection Customer is authorized under Applicable Laws and Regulations to exercise eminent domain on its own behalf.

5.14 Permits. System Operator, Interconnecting Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Interconnecting Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Interconnecting Transmission Owner’s own, or an Affiliate’s generation.

- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Interconnecting Transmission Owner to construct, and Interconnecting Transmission Owner shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Administered Transmission System, which are included in the Base Case of the Interconnection Facilities Study for the Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date. The Interconnection Customer shall reimburse the Interconnecting Transmission Owner for all costs incurred related to early construction to the extent such costs are not recovered from other Interconnection Customers included in the base case.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Interconnecting Transmission Owner and System Operator, to suspend all work by Interconnecting Transmission Owner associated with the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades required under this LGIA at any time with the condition that the New England Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and the System Operator's and Interconnecting Transmission Owner's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Interconnecting Transmission Owner (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the New England Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Interconnecting Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Interconnecting Transmission Owner shall obtain Interconnection Customer's authorization to do so. Interconnecting Transmission Owner shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Interconnecting Transmission Owner required under this LGIA pursuant to this Article 5.16, and has not requested Interconnecting Transmission Owner to recommence the work required under this LGIA on or before the expiration of three (3)

years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Interconnecting Transmission Owner and System Operator, if no effective date is specified. A suspension under this Article 5.16 does not automatically permit an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date. A request for extension of such dates is subject to Section 4.4.5 of the LGIP. Notwithstanding the extensions permitted under Section 4.4.5 of the LGIP, the three-year period shall in no way result in an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date that exceeds seven (7) years from the date of the Interconnection Request; otherwise, this LGIA shall be deemed terminated.

5.17 Taxes.

5.17.1 Payments Not Taxable. The Parties intend that all payments or property transfers made by any Party for the installation of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the New England Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Interconnecting Transmission Owner for the Interconnecting Transmission Owner's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Interconnecting Transmission Owner's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount"

means no more than 5 percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Interconnecting Transmission Owner’s request, Interconnection Customer shall provide Interconnecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Interconnecting Transmission Owner represents and covenants that the cost of the Interconnecting Transmission Owner’s Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Interconnecting Transmission Owner. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Interconnecting Transmission Owner from the cost consequences of any current tax liability imposed against Interconnecting Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Interconnecting Transmission Owner.

The Interconnecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation; provided, however, that Interconnecting Transmission Owner may require Interconnection Customer to provide security, in a form reasonably acceptable to Interconnecting Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Interconnecting Transmission Owner for

such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period, and the applicable statute of limitation, as it may be extended by the Interconnecting Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Interconnecting Transmission Owner, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Interconnecting Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Interconnecting Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Interconnecting Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). For this purpose, (i) Current Taxes shall be computed based on Interconnecting Transmission Owner composite federal and state tax rates at the time the payments or property transfers are received and Interconnecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Interconnecting Transmission Owner's anticipated tax depreciation deductions as a result of such payments or property transfers by Interconnecting Transmission Owner current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this

Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Interconnecting Transmission Owner under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Interconnecting Transmission Owner and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Interconnecting Transmission Owner shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Interconnecting Transmission Owner shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Interconnecting Transmission Owner's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenant contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Interconnecting Transmission Owner retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on

Interconnecting Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Interconnecting Transmission Owner's receipt of payments or property constitutes income that is subject to taxation, Interconnecting Transmission Owner shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Interconnecting Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Interconnecting Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Interconnecting Transmission Owner shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Interconnecting Transmission Owner may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Interconnecting Transmission Owner, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up

basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Interconnecting Transmission Owner for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Interconnecting Transmission Owner which holds that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Interconnecting Transmission Owner in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LGIA is not taxable to Interconnecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Interconnecting Transmission Owner are not subject to federal income tax, or (d) if Interconnecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Interconnecting Transmission Owner pursuant to this LGIA, Interconnecting Transmission Owner shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Interconnecting Transmission Owner for such taxes which Interconnecting Transmission Owner did not submit to the taxing authority, interest calculated in accordance with the methodology set forth in the Commission's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Interconnecting Transmission Owner refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Interconnecting Transmission Owner, any refund or credit Interconnecting Transmission Owner receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Interconnecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Interconnecting Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Interconnecting Transmission Owner will remit such amount promptly to Interconnection Customer only after and to the extent that Interconnecting Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Interconnecting Transmission Owner's Interconnection Facilities.

The intent of this provision is to leave Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this LGIA. Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Interconnecting Transmission Owner for such

taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner.

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Party's(ies') tax status. Nothing in this LGIA is intended to adversely affect any Interconnecting Transmission Owner's tax-exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Interconnection Customer or Interconnecting Transmission Owner may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, the facilities of any Affected Parties or Internal Affected Parties, or the New England Transmission System, that Party shall provide to the other Parties and any Affected Party or Internal Affected Parties: (i) sufficient information regarding such modification so that the other Party(ies) may evaluate the potential impact of such modification prior to commencement of the work; and (ii) such information as may be required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party(ies) at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Notwithstanding the foregoing, no Party shall be obligated to proceed with a modification that would constitute a Material Modification and therefore require an Interconnection Request under the LGIP, except as provided under and pursuant to the LGIP.

In the case of Large Generating Facility or Interconnection Customer's Interconnection Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Interconnecting Transmission Owner shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Interconnecting Transmission Owner makes to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System to facilitate the interconnection of a third party to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System, or to provide transmission service to a third party under the Tariff, except as provided for under the Tariff or any other applicable tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Interconnecting Transmission Owner shall test Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation.

Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Interconnection Customer and Interconnecting Transmission Owner shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, as may be necessary to ensure the continued interconnection of the Large Generating Facility to the Administered Transmission System in a safe and reliable manner. The Interconnection Customer and Interconnecting Transmission Owner each shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's(ies') facilities, at the requesting Party's expense, as may be in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator shall also have the right to require reasonable additional testing of the other Party's (ies') facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 6.3 Right to Observe Testing.** Each Party shall notify the System Operator and other Party(ies) in advance of its performance of tests of its Interconnection Facilities. The other Party(ies) has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's(ies') tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's(ies') System Protection Facilities and other protective equipment; and (iii) review the other Party's(ies') maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. Each Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to

the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be governed by Article 22.

ARTICLE 7. METERING

- 7.1 General.** Each Party shall comply with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding metering. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. Unless the System Operator otherwise agrees, the Interconnection Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under this Tariff and to communicate the information to the System Operator. Unless otherwise agreed, such equipment shall remain the property of the Interconnecting Transmission Owner.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Interconnecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Interconnecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Interconnecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards and the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 7.4 Testing of Metering Equipment.** Interconnecting Transmission Owner shall inspect and test all Interconnecting Transmission Owner-owned Metering Equipment upon installation and thereafter as specified in the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have

representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than the values specified within ISO New England Operating Documents, or successor documents, from the measurement made by the standard meter used in the test, the Interconnecting Transmission Owner shall adjust the measurements, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

- 7.5 Metering Data.** At Interconnection Customer's expense, metered data shall be telemetered to one or more locations designated by System Operator and Interconnecting Transmission Owner. The hourly integrated metering, established in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, used to transmit Megawatt hour ("MWh") per hour data by electronic means and the Watt-hour meters equipped with kilowatt-hour ("kwh") or MWh registers to be read at month's end shall be the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection. Instantaneous metering is required for all Generators in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 8. COMMUNICATIONS

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with the System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer or Interconnecting Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by System Operator and Interconnecting Transmission Owner through use of a dedicated point-to-point data circuit(s). The communication protocol for the data circuit(s) shall be specified by System Operator and

Interconnecting Transmission Owner. All information required by the ISO New England Operating Documents, or successor documents, must be telemetered directly to the location(s) specified by System Operator and Interconnecting Transmission Owner.

Each Party will promptly advise the other Party(ies) if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party(ies). The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

- 9.1 General.** Each Party shall comply with applicable provisions of ISO New England Operating Documents, Reliability Standards, or successor documents, regarding operations. Each Party shall provide to the other Party(ies) all information that may reasonably be required by the other Party(ies) to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** Before Initial Synchronization Date, the Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner in writing in accordance with ISO New England Operating Documents, Reliability Standards, or successor documents. If the Interconnection Customer elects to have the Large Generating Facility dispatched and operated from a remote Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and ISO New England Operating Documents, Reliability Standards, or successor documents, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area for dispatch and operations.

9.3 Interconnecting Transmission Owner and System Operator Obligations. Interconnecting Transmission Owner and System Operator shall cause the Interconnecting Transmission Owner's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA and ISO New England Operating Documents, Reliability Standards, or successor documents. Interconnecting Transmission Owner or System Operator may provide operating instructions to Interconnection Customer consistent with this LGIA, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Interconnecting Transmission Owner's and System Operator's operating protocols and procedures as they may change from time to time. Interconnecting Transmission Owner and System Operator will consider changes to their operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA and ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.5 Start-Up and Synchronization. The Interconnection Customer is responsible for the proper start-up and synchronization of the Large Generating Facility to the New England Transmission System in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility and all generating units comprising the Large Generating Facility, as applicable, to maintain a composite power delivery at continuous rated power output at the Point of Interconnection with dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, unless the System Operator or Interconnecting Transmission Owner has established

different requirements that apply to all synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4 to the LGIA) generators in the Control Area on a comparable basis and in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.1.2 Non-Synchronous Generation. The power factor design criteria requirements applicable to non-synchronous Generating Facilities shall be as specified in in Appendix G to the LGIA. The Low Voltage Ride-Through Capability requirements applicable to wind and inverter-based Generating Facilities shall be as specified in Appendix G to the LGIA.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized the Large Generating Facility to the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility at the direction of System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding voltage schedules in accordance with such requirements.

9.6.2.1 Voltage Regulators. The Interconnection Customer must keep and maintain a voltage regulator on all generating units comprising a Large Generating Facility in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. All Interconnection Customers that have, or are required to have, automatic voltage regulation shall normally operate the Large Generating Facility with its voltage regulators in automatic operation.

It is the responsibility of the Interconnection Customer to maintain the voltage regulator in good operating condition and promptly report to the System Operator and Interconnecting Transmission Owner any problems that could cause interference with its proper operation.

9.6.2.2 System Protection. The Interconnection Customer shall install and maintain protection systems in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.3 Payment for Reactive Power.

Interconnection Customers shall be compensated for Reactive Power service in accordance with Schedule 2 of the Section II of the Tariff.

9.6.4 Primary Frequency Response.

Interconnection Customer with an Interconnection System Impact Study or Cluster Study that commenced on or after May 15, 2018 shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility’s real power output in response to frequency deviations shall start from zero and then

increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting Transmission Owner upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable.

Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the New England Transmission System.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 9.6.4, but shall be otherwise exempt from the operating requirements in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Large Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. The System Operator shall have the authority to coordinate facility outages in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Each Party may in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, in coordination with the other Party(ies), remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's(ies') facilities as necessary to perform maintenance or testing or to install or replace equipment, subject to the oversight of System Operator in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.1.2 Outage Schedules. Outage scheduling, and any related compensation, shall be in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.2 Interruption of Service. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, the System Operator or Interconnecting Transmission Owner may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect System Operator's or Interconnecting Transmission Owner's ability to perform such activities as are necessary to safely and reliably operate and maintain the New England Transmission System.

9.7.3 Ride Through Capability and Performance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Large Generating

Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with System Operator and Interconnecting Transmission Owner in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by NERC to ensure voltage “ride through” capability of the Transmission System. The term “ride through” as used herein shall mean the ability of a Large Generating Facility to stay connected to and synchronized with the New England Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer’s Interconnection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission

Owner shall install at Interconnection Customer's expense, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, any System Protection Facilities that may be required on the Interconnecting Transmission Owner Interconnection Facilities or the New England Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.4 Each Party's protective relay design shall allow for tests required in Article 6.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.5 Requirements for Protection. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and compliance with Good Utility Practice , Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the New England Transmission System not otherwise isolated by Interconnecting Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New England Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the New England Transmission System at a site selected upon mutual agreement (not to be

unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the New England Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. A Party's facilities shall not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party(ies) with a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Administered Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Interconnecting Transmission Owner's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner,

all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Commission for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the New England Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 10. MAINTENANCE

- 10.1 Interconnecting Transmission Owner and Customer Obligations.** Interconnecting Transmission Owner and Interconnection Customer shall each maintain that portion of its respective facilities that are part of the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities in a safe and reliable manner and in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.
- 10.2 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation,

maintenance, repair and replacement of Interconnecting Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, Network Upgrades and Distribution Upgrades.

ARTICLE 11. PERFORMANCE OBLIGATION

- 11.1 Interconnection Customer's Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at its sole expense.
- 11.2 Interconnecting Transmission Owner's Interconnection Facilities.** Interconnecting Transmission Owner shall design, procure, construct, install, own and/or control the Interconnecting Transmission Owner's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades, and to the extent provided by Article 5.1, Stand Alone Network Upgrades, and Distribution Upgrades described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades). The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Interconnecting Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by the Interconnection Customer.
- 11.4 Cost Allocation; Compensation; Rights; Affected Systems and Internal Affected Systems.**
- 11.4.1 Cost Allocation.** Cost allocation of Generator Interconnection Related Upgrades shall be in accordance with Schedule 11 of Section II of the Tariff.
- 11.4.2 Compensation.** Any compensation due to the Interconnection Customer for increases in transfer capability to the PTF resulting from its Generator Interconnection Related Upgrade shall be determined in accordance with Sections II and III of the Tariff.

11.4.3 Rights. Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades.

11.4.4 Special Provisions for Affected Systems and Internal Affected Systems. The Interconnection Customer shall enter into separate related facilities agreements to address any upgrades to the Affected System(s) or Internal Affected System(s) that are necessary for safe and reliable interconnection of the Interconnection Customer's Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of an Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If System Operator or Interconnecting Transmission Owner requests or directs Interconnection Customer to provide a service pursuant

to Articles 9.6.3 (Payment for Reactive Power), or 13.4.1 of this LGIA, Interconnection Customer shall be compensated pursuant to the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.

Interconnection Customer shall be compensated for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the New England Transmission System during an Emergency Condition in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 12. INVOICE

12.1 General. Each Party shall submit to the other Party(ies), on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party(ies) under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice. Interconnection Customer shall pay to Interconnecting Transmission Owner any amount by which the actual payment by Interconnection Customer for estimated costs falls short of the

actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by any Party will not constitute a waiver of any rights or claims the other Party(ies) may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Interconnecting Transmission Owner and Interconnection Customer, Interconnecting Transmission Owner shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Interconnecting Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in the Commission's Regulations at 18 CFR § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations. Each Party shall comply with the Emergency Condition procedures of the System Operator in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.2 Notice. Interconnecting Transmission Owner or System Operator as applicable shall notify Interconnection Customer and System Operator or Interconnecting Transmission Owner as applicable, promptly when it becomes aware of an Emergency Condition that affects the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System that may reasonably be expected to affect Interconnection Customer's

operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Interconnecting Transmission Owner and System Operator promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Interconnecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Interconnecting Transmission Owner and System Operator, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by the Interconnecting Transmission Owner or the System Operator or otherwise regarding the New England Transmission System.

13.4 System Operator's and Interconnecting Transmission Owner's Authority.

13.4.1 General. System Operator or Interconnecting Transmission Owner may take whatever actions or inactions with regard to the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the New England Transmission System or Interconnecting Transmission Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. System Operator and Interconnecting Transmission Owner may, on the basis of technical considerations,

require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of System Operator's and Interconnecting Transmission Owner's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. System Operator and Interconnecting Transmission Owner may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities when such reduction or disconnection is necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. These rights are separate and distinct from any right of curtailment of the System Operator and Interconnecting Transmission Owner pursuant to the Tariff. When the System Operator and Interconnecting Transmission Owner can schedule the reduction or disconnection in advance, System Operator and Interconnecting Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. System Operator and Interconnecting Transmission Owner shall coordinate with the Interconnection Customer in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the System Operator and Interconnecting Transmission Owner. Any reduction or disconnection shall continue only for so long as reasonably necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the New

England Transmission System to their normal operating state as soon as practicable in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

- 13.5 Interconnection Customer Authority.** In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents and the LGIA and the LGIP, the Interconnection Customer may take whatever actions or inactions with regard to the Large Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities. System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.6 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, a Party shall not be liable to another Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended. To the extent that a condition arises that could result in Interconnection Customer's inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company

Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, the Parties shall engage in good faith negotiations to address the condition so that such result will not occur and so that this LGIA can be performed.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F (Addresses for Delivery of Notices and Billings).

A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another Party and not required by this Agreement to be given in writing may be so given by

telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

- 15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party(ies) in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 A Party shall not be considered to be in Default with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party(ies) in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default.

17.1.1 General. No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the

result of an act or omission of the other Party(ies). Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party(ies) shall have the right to terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this LGIA, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

Notwithstanding any other provision of this Agreement, the liability, indemnification and insurance provisions of the Transmission Operating Agreement (“TOA”) or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner and the liability, indemnification and insurance provisions of the Tariff apply to the relationship between the System Operator and the Interconnection Customer and between the Interconnecting Transmission Owner and the Interconnection Customer.

18.1 Indemnity. Each Party shall at all times indemnify, defend, and save the other Party(ies) harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party’s(ies’) action or inactions of their obligations under this LGIA on behalf of

the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by an indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall a Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. The Interconnecting Transmission Owner and the Interconnection Customer shall, at their own expense, maintain in force throughout the period of this LGIA, and until released by the other Party(ies), the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage

(including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death, and property damage.

- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party(ies), its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only

one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) Business Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program, provided that such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party(ies) that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

ARTICLE 19. ASSIGNMENT

19.1 Assignment. This LGIA may be assigned by any Party only with the written consent of the other Parties; provided that the Parties may assign this LGIA without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that the Interconnection Customer shall have the right to assign this LGIA, without the consent of the Interconnecting Transmission Owner or System Operator, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will promptly notify the Interconnecting Transmission Owner and System Operator of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Interconnecting Transmission Owner and System Operator of the date and particulars of any such exercise of assignment right(s), including providing the Interconnecting Transmission Owner with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Interconnecting Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Alternate Option

(Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

- 21.1 Comparability.** The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

- 22.1 Confidentiality.** Confidential Information shall include, without limitation, all information governed by the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by a Party to another prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by a Party, the other Party(ies) shall provide, in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

- 22.1.1 Term.** During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party(ies) that it no longer is confidential.

22.1.3 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or are considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party(ies). The disclosure by each Party to the other Party(ies) of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party(ies), use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party(ies)) or return to the other Party(ies), without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party(ies).

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Article 22. Each

Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Parties shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR. section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this LGIA prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA (“Confidential Information”) shall not be disclosed by the other Party(ies) to any

person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Parties' Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

- 23.1** Each Party shall notify the other Party(ies), first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party(ies). The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party(ies) copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

- 24.1 Information Acquisition.** Subject to any applicable confidentiality restrictions, including, but not limited to, codes of conduct, each Party shall submit specific information regarding the

electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by System Operator and Interconnecting Transmission Owner.

The initial information submission by System Operator and Interconnecting Transmission Owner shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date and shall include information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by the Parties. On a monthly basis Interconnecting Transmission Owner shall provide Interconnection Customer a status report on the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Interconnecting Transmission Owner and System Operator for the Cluster Study, Transitional Cluster Study, and Interconnection Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Interconnecting Transmission Owner and System Operator standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is different from what was originally provided to Interconnecting Transmission Owner pursuant to the Interconnection Study Agreement between Interconnecting Transmission Owner and Interconnection Customer, then the System Operator will review it and conduct appropriate studies, as needed, at the Interconnection Customer's cost, to determine the impact on the New England Transmission System based on the actual data

submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all “as-built” Large Generating Facility information and “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to the Interconnecting Transmission Owner for each individual generating unit in a station.

The Interconnection Customer shall provide the Interconnecting Transmission Owner and System Operator with any information changes due to proposed equipment replacement, repair, or adjustment. Interconnecting Transmission Owner shall provide the Interconnection Customer and System Operator with any information changes due to proposed equipment replacement, repair or adjustment in the directly connected substation or any adjacent Interconnecting Transmission Owner-owned substation that may affect the Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information in accordance with Article 5.19 of this Agreement.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

- 25.1 Information Access.** Each Party (the “disclosing Party”) shall make available to the other Parties information that is in the possession of the disclosing Party and is necessary in order for the other Party(ies) to: (i) verify the costs incurred by the disclosing Party for which the other Party(ies) are responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the “notifying Party”) shall notify the other Party(ies) when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party(ies), to audit at its own expense the other Party’s(ies’) accounts and records pertaining to a Party’s performance or a Party’s satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party’s(ies’) costs, calculation of invoiced amounts, the efforts to allocate responsibility for the provision of reactive support to the New England Transmission System, the efforts to allocate responsibility for interruption or reduction of generation on the New England Transmission System, and each Party’s actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party(ies) together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party(ies) for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party(ies) for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Interconnecting

Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

- 26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

- 27.1 Submission.** In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party(ies) with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's(ies') receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration

Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. [OMITTED]

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect. This LGIA and the rights and obligations hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice

versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix of this LGIA, or such Section of the LGIP or such Appendix of the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including."

30.4 Entire Agreement. Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, this LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. Except for the ISO New England Operating Documents, Applicable Reliability Standards, any applicable tariffs, related facilities agreements, or successor documents, there are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver. The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by a Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this LGIA. Termination or Default of this LGIA for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Interconnecting Transmission Owner. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Consistent with Section 11.3 of the LGIP, Interconnecting Transmission Owner and System Operator shall have the right to make unilateral filings with the Commission to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal

Power Act and the Commission's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Parties and to participate fully in any proceeding before the Commission in which such modifications may be considered. In the event of disagreement on terms and conditions of the LGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to Interconnecting Transmission Owner's position on such terms and conditions. Nothing in this LGIA shall limit the rights of the Parties or of the Commission under sections 205 or 206 of the Federal Power Act and the Commission's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

IN WITNESS WHEREOF, the Parties have executed this LGIA in triplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ISO New England Inc. (System Operator)

By:

Title:

Date:

***[Insert Name of]* (Interconnecting Transmission Owner)**

By:

Title:

Date:

***[Insert name of]* (Interconnection Customer)**

By:

Title:

Date:

APPENDICES TO LGIA

Appendix A	Interconnection Facilities, Network Upgrades and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

APPENDIX A TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

- a. **Point of Interconnection and Point of Change of Ownership.** The Point of Interconnection shall be at the point where *[insert description of location]*. See Appendix A-*[insert]*, which drawing is attached hereto and made part hereof.

The Point of Change of Ownership shall be at the point where *[insert description of location]*. See Appendix A-*[insert]*, which drawing is attached hereto and made part hereof.

If not located at the Point of Interconnection, the metering point(s) shall be located at: *[insert location]*.

- b. **Interconnection Customer's Interconnection Facilities (including metering equipment).** The Interconnection Customer shall construct *[insert Interconnection Customer's Interconnection Facilities]*. See Appendix A-*[insert]*, which drawing is attached hereto and made part hereof.
- c. **Interconnecting Transmission Owner's Interconnection Facilities (including metering equipment).** The Interconnecting Transmission Owner shall construct *[insert Interconnecting Transmission Owner's Interconnection Facilities, including any Cluster Enabling Transmission Upgrades]*. See Appendix A-*[insert]*, which drawing is attached hereto and made part hereof.

2. Network Upgrades:

- a. **Stand Alone Network Upgrades.** *[insert Stand Alone Network Upgrades]*.

- b. **Substation Network Upgrades.** *[insert Substation Network Upgrades]*.

- c. **System Network Upgrades** *[insert System Network Upgrades, including any Cluster Enabling Transmission Upgrades]*.

- 3. **Distribution Upgrades.** *[insert Distribution Upgrades]*

- 4. **Affected System and/or or Internal Affected System Upgrades.** *[insert Affected System Upgrades]*

- 5. **Contingent Facilities:** *[insert list of Contingent Facilities]*

- 6. **Post-Forward Capacity Auction Re-study Upgrade Obligations.** *[insert any change in upgrade obligations that result from re-study conducted post receiving a Capacity Supply Obligation through a Forward Capacity Auction.]*

APPENDIX B TO LGIA

Milestones

- 1. Selected Option Pursuant to Article 5.1:** Interconnection Customer selects the *[insert]*.
Options as described in Articles 5.1.*[insert]*, 5.1.*[insert]*, and 5.1.*[insert]*] shall not apply to this LGIA.
- 2. Milestones and Other Requirements for all Large Generating Facilities:** The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the LGIP and this LGIA. The referenced section of the LGIP or article of the LGIA should be reviewed by each Party to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	LGIP/LGIA Reference
1	Provide evidence of 100% Site Control to System Operator	Interconnection Customer	Upon Execution of the LGIA	§ 11.3.1.1 of LGIP
2	Provide evidence of one or more milestones specified in § 11.3 of LGIP	Interconnection Customer	Upon Execution of the LGIA	§ 11.3.1.2 of LGIP
3	Commit to a schedule for payment of upgrades	Interconnection Customer	Within 15 BD of final LGIA receipt	§ 11.3.1.2 of LGIP
4	LGIA Deposit	Interconnection Customer	Simultaneously with LGIA Execution, or within ten (10) Business Days after the Interconnection Customer request that the LGIA be filed unexecuted	§ 11.3.1.1 of LGIP

5	Provide certificate of insurance	Interconnection Customer and Interconnecting Transmission Owner	Within 10 Calendar Days of execution of LGIA	§ 18.3.9 of LGIA
6	Provide siting approval for Generating Facility and Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
7A	Receive Governmental Authority approval for any facilities requiring regulatory approval	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.1 of LGIA
7B	Obtain necessary real property rights and rights-of-way for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.2 of LGIA
7C	Provide to Interconnecting Transmission Owner written authorization to proceed with design, equipment procurement and construction	Interconnection Customer	As may be agreed to by the Parties	§ 5.5.2 and § 5.6.3 of LGIA

7D	Provide System Operator evidence of proceeding with design, equipment procurement, and construction	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
7E	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone 7C and ending when the entire Large Generating Facility and all required Interconnection Facilities and Network Upgrades are in place	§ 5.7 of LGIA
8	Provision of Security to Interconnecting Transmission Owner pursuant to Section 11.5 of LGIA	Interconnection Customer	At least 30 Calendar Days prior to design, procurement and construction	§§ 5.5.3 and 5.6.4 of LGIA
9	Provision of Security Associated with Tax Liability to Interconnecting Transmission Owner	Interconnection Customer	As may be agreed to by the Parties	§ 5.17.3 of LGIA

	pursuant to Section 5.17.3 of LGIA			
10A	Commit to the ordering of long lead time material for Interconnection Facilities and Network Upgrades	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
10B	Commit to ordering of long lead time material for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
11A	Provide initial design, engineering and specification for Interconnection Customer's Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	180 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LGIA § 7.5 of LGIP
11B	Provide comments on initial design, engineering and specification for Interconnection	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LGIA § 7.5 of LGIP

	Customer's Interconnection Facilities			
11C	Provide to Interconnecting Transmission Owner initial design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 LGIA
11D	Provide to Interconnection Customer comments on initial design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA

12A	Provide final design, engineering and specification for Interconnection Customer's Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	90 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LGIA § 7.5 of LGIP
12B	Provide comments on final design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LGIA § 7.5 of LGIP
12C	Provide to Interconnecting Transmission Owner final design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
12D	Provide to Interconnection Customer comments on	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA

	final design, engineering and specification of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
13A	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnection Customer's Interconnection Facilities	Interconnection Customer	Within 120 Calendar Days of Commercial Operation date	§ 5.10.3 of LGIA
13B	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA

	constructed by the Interconnection Customer			
14	Provide protective relay settings to Interconnecting Transmission Owner for coordination and verification	Interconnection Customer	At least 90 Calendar Days prior to Initial Synchronization Date	§§ 5.10.1 of LGIA
15A	Commencement of construction of Interconnection Facilities	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.6 of LGIA
15B	Commencement of construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
16	Submit updated data "as purchased"	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	§ 24.3 of LGIA
17	In Service Date	Interconnection Customer	Same as Interconnection Request unless	§ 3.4.2 and 4.4.5 of LGIP, § 5.1 of LGIA

			subsequently modified	
18	Initial Synchronization Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of LGIP
19	Submit supplemental and/or updated data – “as built/as-tested”	Interconnection Customer	Prior to Commercial Operation Date	§ 24.4 of LGIA
20	Commercial Operation Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of LGIP
21A	Deliver to Interconnection Customer “as built” drawings, information and documents regarding Interconnecting Transmission Owner’s Interconnection Facilities	Interconnecting Transmission Owner	If requested, within 120 Calendar Days after Commercial Operation Date	§ 5.11 of LGIA
21B	Approve and accept for operation and maintenance the Interconnecting Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades to be	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA

	constructed by the Interconnection Customer			
22	Provide Interconnection Customer final cost invoices	Interconnecting Transmission Owner	Within 6 months of completion of construction of Interconnecting Transmission Owner Interconnection Facilities and Network Upgrades	§ 12.2 of LGIA
23	Transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LGIA
24	Transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LGIA

	Transmission Owner to be constructed by the Interconnection Customer			
25	Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by or the LGIA may be terminated per Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's LGIP (Calculation of the Withdrawal Penalty).	Interconnection Customer	180 days from the effective date of this LGIA	

3. Milestones Applicable Solely for CNR Interconnection Service. In addition to the Milestones above, for projects that achieve a Capacity Supply Obligation prior to September 4, 2024, the following Milestones apply to Interconnection Customers requesting CNR Interconnection Service:

Item No.	Milestone Description	Responsible Party	Date	LGIP/LGIA Reference
1	Submit necessary requests for participation in the Forward Capacity Auction associated with the Generating	Interconnection Customer		§ 3.2.1.3 of LGIP

	Facility's requested Commercial Operation Date, in accordance with Section III.13 of the Tariff			
2	Participate in a CNR Group Study	Interconnection Customer		§ 3.2.1.3 of LGIP
3	Qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of LGIP
4	Complete a re-study of the applicable Interconnection Study to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request based on the results of the Forward Capacity Auction or Reconfiguration Auction or bilateral transaction through which the Interconnection Customer received a Capacity Supply Obligation	System Operator		§ 3.2.1.3 of LGIP

APPENDIX C TO LGIA

Interconnection Details

1. Description of Interconnection:

Interconnection Customer shall install a [insert] MW Large Generating Facility, rated at [insert] MW gross and [insert] MW net, with all studies performed at or below these outputs. The Large Generating Facility is comprised of [insert] units in a [insert description of facility type - combined cycle, wind farm, etc.] rated at: [insert] MW each, and will located at [insert location].

The Large Generating Facility shall receive:

Network Resource Interconnection Service for the NR Capability at a level not to exceed [insert gross and net] MW for Summer, and [insert gross and net] MW for Winter.

Capacity Network Resource Interconnection Service for: (i) the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer and [insert gross and net at or above 0 degrees F] MW for Winter; and (ii) the CNR Capability at [insert net] MW for Summer and [insert net] MW for Winter, which shall not exceed [insert the maximum net MW electrical output of the Generating Facility at an ambient temperature at or above 90 degrees F for summer and at or above 20 degrees F for winter].

2. Detailed Description of Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	
Excitation System Model	

Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	
Maximum Charging Load (MW) at Point of Interconnection	
Will BESS be charged from the Administered Transmission System? (Yes/No)	
Primary Frequency Response Operating Range	
Minimum State of Charge	
Maximum State of Charge	
Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	
Transient Reactance (saturated)	

Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	
Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

3. Other Description of Interconnection Plan and Facilities:

[Insert any other description relating to the Generating Facility, including, but not limited to switchyard, protection equipment, step-up transformer to the extent not described in Appendix A.]

APPENDIX D TO LGIA

Security Arrangements Details

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New England Transmission System reliability and operational security. The Commission will expect System Operator, Interconnecting Transmission Owners, market participants, and Interconnection Customers interconnected to the New England Transmission System to comply with the recommendations offered by the Critical Infrastructure Protection Committee and, eventually, best practice recommendations from NERC. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

APPENDIX E TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between System Operator Interconnecting, Transmission Owner and Interconnection Customer.

[Date]

[Interconnecting Transmission Owner; Address]

[to be supplied]

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Re: _____ Large Generating Facility

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced commercial operation of Unit No. _____ at the Large Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

APPENDIX F TO LGIA

Addresses for Delivery of Notices and Billings Notices:

System Operator:

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

With copy to:

Billing Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

System Operator:

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

With copy to:

Billing Department

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

System Operator:

Facsimile: (413) 540-4203

E-mail: geninterconn@iso-ne.com

With copy to:

Facsimile: (413) 535-4024

E-mail: billingdept@iso-ne.com

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

APPENDIX G TO LGIA

Interconnection Requirements For A Wind and Inverter-Based Generating Facilities

Appendix G sets forth requirements and provisions specific to wind and inverter-based Generating Facilities. All other requirements of this LGIA continue to apply to wind and inverter-based Generating Facility interconnections.

A. Technical Standards Applicable to Wind and Inverter-Based Generating Facility

i. Low Voltage Ride-Through (LVRT) Capability

Wind and inverter-based Generating Facilities shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the System Operator and Interconnecting Transmission Owner. The maximum clearing time the wind generating plant

shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual wind generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual wind generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind Generating Facilities subject to FERC Order No. 661 and not covered by the transition period described above , as well as inverter-based Generating Facilities must meet the following requirements:

1. Wind and inverter-based Generating Facilities are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind or inverter-based Generating Facility substation location, as determined by and documented by the System Operator and Interconnecting Transmission Owner. The maximum clearing time the wind or inverter-based Generating Facility shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind or inverter-based Generating Facility may disconnect from the transmission system. Wind and inverter-based Generating Facilities shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind or inverter-based Generating Facility GSU.
2. This requirement does not apply to faults that would occur between the wind or inverter-based Generating Facility terminals and the high side of the GSU.
3. Wind and inverter-based Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind and inverter-based Generating Facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind or inverter-based Generating Facility or by a combination of generator performance and additional equipment.
5. Existing individual wind generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual wind generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

SECTION 1. A newly interconnecting non-synchronous Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study or Cluster Study commences after October 5, 2016 shall maintain dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, at continuous rated power output, measured at the high-side of the station transformer or at the Point of the Interconnection if there is no station transformer. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors (provided the use of such capacitors is solely for the purpose of offsetting collector system losses and is found to meet all of the requirements specified in the Interconnection System Impact Study), or a combination of the two.

SECTION 2. A wind Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced after April 17, 2016 but before October 5, 2016 shall maintain dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, at continuous rated power output, measured at the high-side of the station transformer or at the Point of Interconnection if there is no station transformer.

SECTION 3. A wind Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced before April 17, 2016 shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Interconnection System Impact Study shows that such a requirement is necessary to ensure safety or reliability. For a wind Generating Facility for which the Interconnection System Impact Study commences before April 17, 2016, the power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the System Operator and Interconnecting Transmission Owner, or a combination of the two.

SECTION 4. A non-wind non-synchronous Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced

before October 5, 2016 shall meet the power factor requirements of Article 9.6.1.1 of the LGIA.

SECTION 5. The Interconnection Customer shall not disable power factor equipment while the wind Generating Facility is in operation.

SECTION 6. Wind Generating Facilities shall also be able to provide sufficient additional dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Interconnection System Impact Study shows this to be required for system safety or reliability.

ii. Supervisory Control and Data Acquisition (SCADA) Capability

Wind and inverter-based Generating Facilities shall provide SCADA capability to transmit data and receive instructions from the System Operator and Local Control Center to protect system reliability. The System Operator, Interconnecting Transmission Owner and the wind or inverter-based Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind or inverter-based Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

APPENDIX 12

INTERCONNECTION PROCEDURES FOR WIND GENERATION

Appendix 12 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generating Plants

The wind generating plant Interconnection Customer, in completing the Interconnection Request required by Section 3.4 of this LGIP, may provide to the System Operator a set of preliminary electrical design specifications depicting the wind generating plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind generating plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind generating plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the System Operator to complete the Interconnection System Impact Study.

SCHEDULE 23

SMALL GENERATOR INTERCONNECTION PROCEDURES

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APPENDIX 11 STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

SECTION I. DEFINITIONS

The definitions contained in this section are intended to apply in the context of the generator interconnection process provided for in this Schedule 23 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under this Schedule 23. Capitalized terms in Schedule 23 that are not defined in this Section I shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this SGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England-Transmission System, as described in Section 9 of this SGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this SGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.7 of this SGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Small Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Small Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective

Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by Interconnection Customer to interconnect its Small Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff . The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this SGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this SGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this SGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this SGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this SGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this SGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment 7 to the Standard Small Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this SGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this SGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 7.6 of the Standard Small Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Small Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement (“E&P”) Agreement shall mean an agreement that authorizes Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer’s device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer’s Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning

and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Small Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment 2 to the Standard Small Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this SGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Attachment 2 of the Standard Small Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's

Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy, or the Cluster Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of this SGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this SGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this SGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this SGIP, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service

for all or part of a Generating Facility's capability. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the SGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Interconnection System Impact Study, the Cluster Study, Cluster Interconnection Facilities Study the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment, and the Optional Interconnection Study described in this SGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this SGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Small Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more 20 MW or less.

SGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed SGIA, or within ten (10) Business Days of requesting that the SGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this SGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its obligations under the Standard Small Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by 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 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 Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Small Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics. Any metering necessitated by the use of the Small Generating Facility shall be installed at Interconnection

Customer's expense in accordance with Commission, state, or local regulatory requirements and with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this SGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this SGIP that is made among Interconnecting Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability ("NR Capability") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean the Interconnection Service selected by Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer's NR Interconnection Service shall be solely for the megawatt

amount of the NR Capability requested pursuant to Section 3.1 of this SGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Small Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this SGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service

provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and Interconnection Customer. This agreement shall take the form of the Standard Small Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, and analyzing such information.

Site Control shall mean the exclusive -right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to

construct and operate may be demonstrated by documentation establishing: (a) that Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Attachment 2 to the Standard Small Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Small Generator Interconnection Agreement (“SGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility, that is included in this Schedule 23 to the Tariff.

Standard Small Generator Interconnection Procedures (“SGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in this Schedule 23 to the Tariff.

Study Case shall have the meaning specified in Sections 7.3 and 7.5 of this SGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for an Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Capacity Network Resource Group Study (“Transitional CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this SGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 5 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 6 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by System Operator to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Serial Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this SGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the SGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this SGIP.

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Small Generator Interconnection Procedures.

The SGIP and SGIA shall apply to Interconnection Requests pertaining to Small Generating Facilities. Except as expressly provided in the SGIP and SGIA, nothing in the SGIP or SGIA shall be construed to limit the authority or obligations that the Interconnecting Transmission Owner or System Operator, as applicable, has with regard to ISO New England Operating Documents. Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Commission expects the System Operator, Interconnecting Transmission Owners, market participants, and Interconnection Customers interconnected to the New England Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

2.2. Comparability.

The System Operator shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this SGIP. The System Operator and Interconnecting Transmission Owner shall process and analyze Interconnection Requests from all Interconnection Customers, regardless of whether the Generating Facilities are owned by the Interconnecting Transmission Owner, its subsidiaries or Affiliates, or others.

2.3 Base Case Data.

System Operator shall maintain Base Case power flow, short circuit and stability databases, including all underlying assumptions, and contingency lists on a secured location on the System Operator's website. For the purposes of this provision, Base Case Data may include the electromagnetic transient network model that does not include proprietary electromagnetic transient equipment models. System Operator shall provide access to such information located on a secured location on the System Operator's website, subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy as well as any other applicable requirement under Applicable Laws and Regulations regulating disclosure or confidentiality of such information. System Operator shall maintain network models and underlying assumptions on a secured location on the System Operator's website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection

Study and be representative of current system conditions as of the most recent Interconnection Study. The databases and lists addressed in this Section 2.3, hereinafter referred to as Base Cases, shall include all generation projects and transmission projects that are proposed for the New England Transmission System and any Affected System or Internal Affected System and for which a transmission expansion plan has been submitted and approved by the applicable authority and which, in the sole judgment of the System Operator, may have an impact on the Interconnection Request. The Base Cases shall also include generation projects that are not participating in the System Operator's interconnection process, but are expected to achieve approval pursuant to Section I.3.9 of the Tariff within ninety (90) days from the date of the creation of the Base Cases and for which steady state, short circuit, stability and electromagnetic transient network models for the generation projects and any associated system upgrades have been provided to the System Operator. Interconnection Customer, where applicable, shall provide Base Case Data to the Interconnecting Transmission Owner and System Operator to facilitate required Interconnection Studies.

System Operator shall provide a link to the secured location on its website that contains the information required under this Section 2.3 on System Operator's OASIS site. System Operator is permitted to require that Interconnection Customers or their third party consultants, OASIS site users, and users of the secured location on System Operator's website sign a confidentiality agreement before the release of information governed by Section 13.1 or the ISO New England Information Policy, or the release of any other information that is commercially sensitive or Critical Energy Infrastructure Information.

2.4 No Applicability to Transmission Service.

Nothing in this SGIP shall constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

2.5 Time Requirements.

Parties that must perform a specific obligation under a provision of the SGIP or Standard Small Generator Interconnection Agreement within a specified time period shall use Reasonable Efforts to complete such obligation within the applicable time period. A Party may, in the exercise of reasonable discretion and within the time period set forth by the applicable procedure or agreement, request that the relevant Party consent to a mutually agreeable alternative time schedule, such consent not to be unreasonably withheld.

SECTION 3. INTERCONNECTION REQUESTS.

3.1 General.

To initiate an Interconnection Request, an Interconnection Customer must comply with all of the requirements set forth in Section 3.4.1. Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. Within three (3) Business Days after the close of the Cluster Request Window, System Operator shall submit a copy of all valid Interconnection Requests received to Interconnecting Transmission Owner(s).

At Interconnection Customer's option, System Operator, Interconnection Customer, Interconnecting Transmission Owner, and any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of Clustering of Interconnection Requests, System Operator may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. System Operator shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement of the involved parties.

System Operator shall consider requests for Interconnection Service below the Small Generating Facility capability. An Interconnection Customer that submits an Interconnection Request for Interconnection Service below the Small Generating Facility capability shall include in the Interconnection Request the proposed control technologies to restrict the Small Generating Facility's output to the requested Interconnection Service levels. These requests for Interconnection Service shall be studied based on the nameplate capability of the Small Generating Facility at the level of Interconnection Service requested for purposes of determining necessary Interconnection Facilities, Network Upgrades, and associated costs, and the requests shall be studied at the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the

system, with the study costs borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 2 of the SGIA. The necessary control technologies and protection systems shall be established in Attachment 2 of the executed, or requested to be filed unexecuted, SGIA.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in ISO New England Planning Procedures.

Unless otherwise stated, all Commercial Readiness Deposits that must be submitted to the System Operator under this SGIP must be (a) delivered to the System Operator's bank account by electronic transfer, (b) through the provision and maintenance of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator, and included on the List of Eligible Commercial Readiness Deposit Letter of Credit Issuers, as described on the System Operator's public website, (c) a surety bond in a form and from an institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Surety Bond Issuers, as described on the System Operator's public website or (d) a combination thereof. Each letter of credit or surety bond must specify the Interconnection Request to which it corresponds. Further, notwithstanding Section 5 of this SGIP to the contrary, an Interconnection Customer may replace the acceptable forms of Commercial Readiness Deposits provided therein with a surety bond any time after such form is deemed acceptable by the System Operator. All costs associated with obtaining a letter of credit shall be borne by Interconnection Customer. In the event that System Operator identifies an administrative deficiency with a submitted letter of credit, or surety bond, Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

If the System Operator removes the financial institution from the list, Interconnection Customer shall have ten (10) Business Days from the date on which System Operator provides notice of such removal to replace the letter of credit, or surety bond with a letter of credit, or surety bond from a financial institution on the list. The System Operator may extend this cure period in its sole discretion. Failure to cure a deficiency within the periods prescribed in this Section 3.1 shall result in the withdrawal of the Interconnection Request pursuant to Section 3.7 of the SGIP without further opportunity to cure. System Operator shall only provide refunds and/or distribute funds held as part of a Commercial Readiness

Deposit to the extent that there are sufficient funds available from the applicable form of financial security.

All other deposits that must be submitted to the System Operator under this SGIP must be paid in cash and delivered to the System Operator's bank account by electronic transfer within the period specified in the respective provision.

A deposit will not be considered received until it is in the System Operator's bank account or, in the case of a letter of credit, or surety bond provided as a Commercial Readiness Deposit, the letter of credit or surety bond is accepted by System Operator. Deposits that must be submitted to the Interconnecting Transmission Owner shall be submitted in a form acceptable to the Interconnecting Transmission Owner.

3.2 Type of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either CNR Interconnection Service or NR Interconnection Service, as described in Sections 3.2.1 and 3.2.2 below.

An Interconnection Customer that meets the requirements to obtain CNR Interconnection Service shall obtain NR Interconnection Service up to the NR Capability upon completion of all requirements for NR Interconnection Service, including all necessary upgrades. Upon completion of all requirements for the CNR Interconnection Service, Interconnection Customer shall also receive CNR Interconnection Service for CNR Capability. An Interconnection Customer that meets the requirements to obtain NR Interconnection Service shall receive NR Interconnection Service for Interconnection Customer's NR Capability.

3.2.1 Capacity Network Resource Interconnection Service

3.2.1.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which CNRs are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows Interconnection Customer's Small Generating Facility to be designated as a CNR, and to participate in the New England Markets, in

accordance with Market Rule 1, Section III of the Tariff, up to the CNR Capability or as otherwise provided in the Tariff, on the same basis as existing CNRs, and to be studied as a CNR on the assumption that such a designation will occur.

3.2.1.2 The Studies.

All Interconnection Studies for CNR Interconnection Service shall assure that Interconnection Customer's Small Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit. For Interconnection Requests seeking to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024, the CNR Group Study shall assure that Interconnection Customer's Small Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other CNRs and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures. For all other Interconnection Requests, the intra-zonal deliverability analysis shall be performed as part of the Transitional Cluster Study or Cluster Study. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.1.3 Milestones for CNR Interconnection Service.

In addition to the requirements set forth in this SGIP, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service that seeks to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2024 shall complete the following milestones prior to receiving CNR Interconnection Service for the CNR Capability, such milestones to be specified in Attachment 4 of the SGIA, as either completed or to be completed: (i) submit the necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date (except as modified pursuant to Sections 3.2.3 or 4.4 of this SGIP), in accordance with the provisions of Section III.13 of the Tariff; (ii) participate in a CNR Group Study for the Forward Capacity Auction associated with the requested Generating Facility's Commercial Operation Date; (iii) qualify and receive a Capacity

Supply Obligation in accordance with Section III.13 of the Tariff; and (iv) complete a re-study of the applicable Interconnection Study and CNR Group Study after the Forward Capacity Auction, Reconfiguration Auction, or bilateral transaction through which Interconnection Customer received a Capacity Supply Obligation to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request. The re-study shall include those CNR Interconnection Service or CNI Interconnection Service Interconnection Requests with a higher Queue Position that cleared and shall exclude any upgrades that are no longer necessary as a result of existing capacity that will be retired as of the start of the Capacity Commitment Period for which the resource has received a Capacity Supply Obligation. With respect to (iv) above, if an Interconnection Study Agreement has been executed, the Interconnection Study associated with the Interconnection Study Agreement shall include the necessary analysis that would otherwise have been performed in a re-study. If the original Interconnection Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Study Agreement. If an SGIA has been either executed or filed with the Commission in unexecuted form then the last Interconnection Study completed for Interconnection Customer under this SGIP shall be subject to re-study. The Appendices to the SGIA shall be amended (pursuant to Article 12.2 of the SGIA) to reflect CNR Capability and the results of the re-study.

After September 4, 2024, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service shall complete the requirements in this SGIP prior to receiving CNR Interconnection Service. Interconnection Customer shall complete the intra-zonal deliverability assessment by electing to participate in the Transitional Cluster Study or submit a new Interconnection Request for CNR Interconnection Service during the applicable Cluster Entry Window to participate and complete a Cluster Study. Any Interconnection Customer with a valid Interconnection Request for CNR Interconnection Service that has a completed Interconnection System Impact Study on or before July 1, 2024, but that has not received a Capacity Supply Obligation through the eighteenth Forward Capacity Auction or an earlier auction may: 1) seek to complete the process for obtaining CNR Interconnection Service through the process described in Section III.13.1.1.2A of the Tariff or 2) seek to complete the process for obtaining CNR Interconnection Service through the Transitional Cluster Study. Notwithstanding any other provision of the Tariff, an Interconnection Customer may seek to participate in both the process described in Section III.13.1.1.2A of the Tariff and the Transitional Cluster Study simultaneously. If Interconnection Customer achieves CNR Interconnection Service through Section III.13.1.1.2A, it may withdraw from the Transitional Cluster Study without penalty and be refunded any remaining study deposits associated with the Transitional Cluster Study. If Interconnection Customer

does not enter, or complete, the process described in either Section III.13.1.1.2A or the Transitional Cluster Study, the System Operator shall reduce Interconnection Customer's Interconnection Request to NR Interconnection Service.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which Network Resources are interconnected under the NC Interconnection Standard. NR Interconnection Service allows Interconnection Customer's Small Generating Facility to participate in the New England Markets, in accordance with the provisions of Market Rule 1, Section III of the Tariff, up to the net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as other Network Resources. Notwithstanding the above, the portion of a Small Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, except pursuant to a new Interconnection Request for CNR Interconnection Service.

3.2.2.2 The Studies.

The Interconnection Studies for an Network Resource shall assure that Interconnection Customer's Small Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit, in accordance with the NC Interconnection Standard and as detailed in the ISO New England Planning Procedures. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.2.3 Milestones for NR Interconnection Service.

An Interconnection Customer with an Interconnection Request for NR Interconnection Service shall complete the requirements in this SGIP prior to receiving NR Interconnection Service.

3.3 Utilization of Surplus Interconnection Service.

Surplus Interconnection Service allows an existing Interconnection Customer to utilize or transfer Surplus Interconnection Service at the Generating Facility's Point of Interconnection once Interconnection Customer has an executed Interconnection Agreement or requested that the Interconnection Agreement be filed unexecuted. For purposes of Surplus Interconnection Service, the existing Interconnection Customer is referred to as the "Original Interconnection Customer," and the entity requesting Surplus Interconnection Service is referred to as the "Surplus Interconnection Customer." The Original Interconnection Customer or, with written consent of the Original Interconnection Customer, one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the Original Interconnection Customer or one of its affiliates does not exercise this priority, then the Surplus Interconnection Service may be utilized by a third party of the Original Interconnection Customer's choosing and with the Original Interconnection Customer's written consent.

Surplus Interconnection Service may be available for any Unused Capability of Interconnection Service established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for CNR Interconnection Service, any Surplus Interconnection Service may be for existing CNR Interconnection Service or NR Interconnection Service. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for NR Interconnection Service, any Surplus Interconnection Service shall be for NR Interconnection Service. Surplus Interconnection Service is not applicable when a new Interconnection Request for Interconnection Service or Network Upgrades would be required to implement the proposed change to the Original Interconnection Customer's Generating Facility. Surplus Interconnection Service cannot be used to replace a retiring or to repower an existing Generating Facility.

The Original Interconnection Customer shall specify the amount of Unused Capability that is available for use by the Surplus Interconnection Customer's Generating Facility. The total output of the Original Interconnection Customer's Generating Facility plus the Surplus Interconnection

Customer's Generating Facility behind the same Point of Interconnection shall be limited to the maximum total amount of Interconnection Service granted to the Original Interconnection Customer as established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. Control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities shall be required in the case where the sum of the maximum output of the Original Interconnection Customer's Generating Facility plus the maximum output of the Surplus Interconnection Customer's Generating Facility exceeds the total amount of Interconnection Service established in the Original Interconnection Customer's Interconnection Agreement. Surplus Interconnection Service shall only be available at the existing Point of Interconnection of the Original Interconnection Customer's Generating Facility.

3.3.1 Surplus Interconnection Service Request

An Original Interconnection Customer or, with the consent of the Original Interconnection Customer, its affiliate or a third party of the Original Interconnection Customer's choosing may request Surplus Interconnection Service by submitting to the System Operator a completed Surplus Interconnection Service Request Application in the form contained in Attachment C to Appendix 1 of the SGIP. The Surplus Interconnection Service Request Application shall be accompanied by the Original Interconnection Customer's written consent for the Surplus Interconnection Customer's use of Unused Capability for Surplus Interconnection Service, and the technical data called for in the form.

Studies for Surplus Interconnection Service may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. The study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus

Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Any analyses shall be performed at the Surplus Interconnection Customer's expense.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures.

The Interconnection Agreement for the Original Interconnection Customer's Generating Facility shall be replaced by a new agreement among the System Operator, Interconnecting Transmission Owner, Original Interconnection Customer, and Surplus Interconnection Customer. The agreement shall be in the form of the most currently effective SGIA, modified to reflect the Surplus Interconnection Customer's Generating Facility and the amount of, and the terms for the use of, the Surplus Interconnection Service. The agreement shall be developed and negotiated in accordance with Section 11 of the SGIP, at the Surplus Interconnection Customer's expense.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

System Operator shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests sixty (60) Calendar Days after the conclusion of the three hundred sixty (360) Day transition process set out in Section 5.1 of this SGIP. All subsequent Cluster Request Windows shall open sixty (60) Calendar Days after the Cluster Study Results Meeting or Cluster Restudy Results Meeting (as appropriate). System Operator shall provide notice via posting on its public website at least thirty (30) Calendar Days prior to each respective Cluster Request Window opening.

3.4.1.1 Study Deposits.

Interconnection Customer shall submit to System Operator, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this SGIP, a potentially non-refundable initial deposit of \$15,000, and a refundable study deposit of \$100,000 (for new requests for NR Interconnection Service or CNR Interconnection Service) or \$50,000 (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). System Operator shall apply the initial deposit toward the costs incurred by the System Operator associated with the Interconnection Request, the cost of developing the study agreements and their attachments, and the cost of developing the SGIA. The study deposit shall be applied toward the cost of the Cluster Study.

3.4.2 Initiating an Interconnection Request.

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 SGIP:

- (i) A potentially non-refundable initial deposit of \$15,000.
- (ii) A completed application in the form of Appendix 1 and all information required under its Attachments,
- (iii) All information and deposits required under this Section 3.4 and
- (iv) In the case of a request for CNR Interconnection Service a demonstration of one-hundred percent (100%) site control and, in the case of NR Interconnection Service, a demonstration of no less than one-hundred percent (100%) Site Control or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$50,000 and a maximum of \$200,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;
- (v) Generating Facility capability (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility capability),
- (vi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.4.1.1 of this SGIP in the form of an irrevocable letter of credit, cash, or a surety bond 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,

- (vii) A Point of Interconnection, and;
- (viii) Whether the Interconnection Request shall be studied for NR Interconnection Service or for CNR Interconnection Service, consistent with Section 3.2 of this SGIP. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by System Operator until Interconnection Customer provides the required Site Control demonstration for its Generating Facility in the Cluster Study Process. Interconnection Customers facing qualifying regulatory limitations must demonstrate one-hundred percent (100%) Site Control within one-hundred eighty (180) Calendar Days of the effective date of the SGIA.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iv-v) of this SGIP. If System Operator determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to Transmission Provider's approval. Absent such, System Operator shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this SGIP without further opportunity to cure.

Interconnection Customer does not need to demonstrate Site Control where the Interconnection Request is for a modification to Interconnection Customer's existing Small Generating Facility and Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property.

The portions of the deposit of \$15,000 that have not been applied as provided in this Section 3.4.1 shall be refundable if Interconnection Customer executes an SGIA or where the Interconnection Request is withdrawn by Interconnection Customer within ten (10) Business Days of the Cluster Scoping Meeting. Otherwise, any unused balance of the deposit of \$15,000 shall be non-refundable and applied on a pro-rata basis to offset costs incurred by Interconnection Customers that are subject to re-study, as determined by the System Operator in accordance with the provisions of this SGIP, as a result of the withdrawal of an Interconnection Request within the same Cluster.

The expected Initial Synchronization Date of the new Small Generating Facility, of the increase in capacity of the existing Generating Facility, or of the implementation of the Material Modification to the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the System Operator, unless Interconnection Customer demonstrates that such time required to actively engineer, permit and construct the new Small Generating Facility or increase in capacity of the existing Generating Facility or implement the Material Modification to the existing Generating Facility will take longer than the seven year period. Upon such demonstration, the Initial Synchronization Date may succeed the date the Interconnection Request is received by the System Operator by a period of greater than seven (7) years so long as Interconnection Customer, System Operator, and Interconnecting Transmission Owner agree, such agreement shall not be unreasonably withheld.

3.4.3 Acknowledgment of Interconnection Request.

System Operator shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid Interconnection Request until all items in Section 3.4.2 of this SGIP have been received by the System Operator during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this SGIP, the System Operator shall notify Interconnection Customer within five (5) Business Days of receipt

of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide the System Operator the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, System Operator shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this SGIP), \$5,000 of the application fee is forfeited to System Operator, and any unspent portion of the application fee, the study deposit, and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, System Operator shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, System Operator may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, System Operator shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The System Operator must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, System Operator shall provide to Interconnection Customer a non-binding, updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this SGIP shall be included in the

Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7 of this SGIP) by System Operator, the initial deposit shall be forfeited to the System Operator, and the System Operator shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, System Operator shall initiate the Cluster Study described in Section 7 of this SGIP.

3.4.6 Cluster Study Scoping Meetings.

During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

The purpose of the Scoping Meeting shall be (i) to discuss alternative interconnection options, (ii) to exchange pertinent information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, (iii) to discuss Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, as applicable; (iv) to analyze such information, and (v) to discuss any other information necessary to facilitate the administration of the Interconnection Procedures.

The Parties will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) information regarding general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The Parties will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of. The duration of the meeting shall be sufficient to accomplish its purpose.

If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, System Operator shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement in the form specified by System Operator prior to a group Cluster Study Scoping Meeting, which will provide

for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

3.5 OASIS Posting.

3.5.1 OASIS Posting.

The System Operator will maintain on its OASIS a list of all Interconnection Requests in its Control Area. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested (i.e., CNR Interconnection Service or NR Interconnection Service); and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an SGIA or requests that the System Operator and Interconnecting Transmission Owner jointly file an unexecuted SGIA with the Commission. Before participating in a Scoping Meeting with an Interconnection Customer that is also an Affiliate, the Interconnecting Transmission Owner shall post on OASIS an advance notice of its intent to do so. The System Operator shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to the System Operator's OASIS site subsequent to the meeting between the System Operator, Interconnecting Transmission Owner, and Interconnection Customer to discuss the applicable study results. The System Operator shall also post any known deviations in the Small Generating Facility's Initial Synchronization Date.

3.5.2 Requirements to Post Interconnection Study Metrics

The System Operator will maintain on its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If the System Operator posts this information on its website, a link to the information must be provided on the System Operator's OASIS site. For each calendar quarter, the System Operator must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 of this SGIP.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than two hundred and seventy (270) Calendar Days after the close of the Customer Engagement Window,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study Agreement received by System Operator more than two hundred and seventy (270) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter, from the commencement of the Cluster Study to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(F) Percentage of Cluster Studies exceeding two hundred and seventy (270) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this SGIP.

3.5.2.2 Cluster Restudies Processing Time.

(A) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days after System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies where such System Operator notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the date when System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP to the date when System Operator provided the completed Cluster Restudy to Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Restudy Report to Interconnection Customer.

(F) Percentage of Cluster Restudies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this SGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are

completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate after receipt by System Operator of Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by System Operator more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed for the System Operator's Administered Transmission System during the reporting quarter, calculated from the date when System Operator received the executed Interconnection Facilities Study Agreement to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Study completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer.

(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this SGIP.

3.5.2.4 Interconnection Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from System Operator's interconnection

queue during the reporting quarter before completion of any Interconnection Studies or execution of any Interconnection Study Agreements,

(C) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of an Interconnection Facility Study,

(E) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after completion of an Interconnection Facilities Study or after completion of the Cluster Study if the Facilities Study was waived but before execution of an SGIA or Interconnection Customer requests the filing of an unexecuted SGIA,

(F) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after execution of an LGIA or Interconnection Customer requests the filing of an unexecuted, new LGIA,

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when System Operator received the request to withdraw from the queue.

3.5.3 System Operator is required to post on its website the measures in Section 3.5.2.1(A) through Section 3.5.2.4(F) for each calendar quarter within thirty (30) Calendar days of the end of the calendar quarter. System Operator will keep the quarterly measures posted on its website for three (3) calendar years with the first required report to be the first quarter of 2020. If System Operator retains this information on its website, a link to the information must be provided on System Operator's OASIS site.

3.5.4 In the event that any of the values calculated in Sections 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds twenty-five percent (25%) for two (2) consecutive calendar quarters, System Operator will have to comply with the measures below for the next four (4) consecutive calendar quarters and must continue reporting this information until System Operator reports four consecutive

calendar quarters without the values calculated in Sections 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding twenty-five percent (25%) for two (2) consecutive calendar quarters:

(i) System Operator must submit a report to the Commission describing the reason for each Cluster Study, Cluster Restudy, or individual Interconnection Facilities Study pursuant to one or more Interconnection Request(s) that exceeded its deadline (*i.e.*, 270, 90 or 180 Calendar Days) for completion. System Operator must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within forty-five (45) Calendar Days of the end of the calendar quarter.

(ii) System Operator shall aggregate the total number of employee hours and third party consultant hours expended towards Interconnection Studies for its Administered Transmission System that quarter and post on its website. If System Operator posts this information on its website, a link to the information must be provided on System Operator's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

3.5.5 Record Retention.

The System Operator shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests

3.6 Coordination with Internal Affected Systems.

The System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Internal Affected Systems with Internal Affected Parties and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this SGIP. The System Operator will include such Internal Affected Parties in all meetings held with Interconnection Customer as required by this SGIP. Interconnection Customer will cooperate with the System Operator and Interconnecting Transmission Owner in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Interconnection Customer shall be responsible for the costs associated with the studies or portions of studies associated with the Internal Affected Systems, including costs associated with the requirements of Section I.3.9 of the Tariff.

Payment and refunds associated with the costs of such studies will be coordinated between Interconnection Customer and the Internal Affected Party(ies) unless such costs are included in the costs of the Interconnection Study, in which case, the Internal Affected Party(ies) shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the respective Interconnection Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Studies.

The System Operator shall seek the cooperation of all Internal Affected Parties in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Nothing in the foregoing is intended to authorize Interconnection Customer to receive interconnection, related facilities or other services on an Affected System, and provision of such services must be handled through separate arrangements with Internal Affected Party(ies).

3.6A Coordination with Affected Systems Outside New England Control Area.

System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with System Operator and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

An Interconnecting Transmission Owner in the New England Control Area whose system may be impacted by a proposed interconnection on an Affected System shall cooperate with the System Operator and Affected System to transmission whom a proposed interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Interconnecting Transmission Owner's portion of the New England Transmission System.

3.6A.1 Initial Notification.

System Operator must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, System Operator must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6A.2 Notification of Cluster Restudy.

System Operator must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6A.3 Notification of Cluster Restudy Completion.

Upon the completion of System Operator's Cluster Restudy, System Operator will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, System Operator must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to System Operator, which System Operator will transmit to Interconnecting Transmission Owner and any Affected Parties. In addition, if Interconnection Customer fails to adhere to all requirements of this SGIP, except as provided in Section 13.5 (Disputes), the System Operator shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Except as otherwise provided elsewhere in this SGIP, upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify the System Operator of its intent to pursue Dispute Resolution, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the System Operator may eliminate Interconnection Customer's Interconnection Request from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to System Operator, Interconnecting Transmission Owner, and any Affected Parties all costs prudently incurred with

respect to that Interconnection Request prior to System Operator's receipt of notice described above. Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by System Operator under Section 3.7 of this SGIP, System Operator shall (i) update the OASIS Queue Position posting; and (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this SGIP. Except as otherwise provided elsewhere in this SGIP, the System Operator and the Interconnecting Transmission Owner shall refund to Interconnection Customer any refundable portion of Interconnection Customer's study deposit or study payments that exceeds the costs incurred, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations, or arrange to charge to Interconnection Customer any amount of such costs incurred that exceed Interconnection Customer's deposit or study payments, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations. The System Operator and Interconnecting Transmission Owner shall refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, System Operator, subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information, shall provide, at Interconnection Customer's request, all information developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the

Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.4.1.1 of this SGIP; or (2) as follows in (a)–(d):

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.
- (b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this SGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.
- (c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this SGIP, or after receipt of the draft SGIA but before Interconnection Customer has executed an SGIA or has requested that its SGIA be filed unexecuted, and has satisfied the other requirements described in Section 11.3 of this SGIP (i.e., Site Control demonstration, SGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed an SGIA or has requested that its SGIA be filed unexecuted and has satisfied the other requirements described in Section 11.3 of this SGIP (i.e., Site Control demonstration, SGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

For a single Cluster, System Operator shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the SGIA or requested the SGIA to be filed unexecuted. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, System Operator will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 6.3 of the pro forma SGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their SGIA or requesting to have their SGIA filed unexecuted. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs

shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with the System Operator's method in Section 13.3 of this SGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. System Operator shall post the balance of Withdrawal Penalty funds held by System Operator but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its SGIA, System Operator shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with the System Operator's method in Section 13.3 of this SGIP for allocating the costs of interconnection studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, System Operator will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this SGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an SGIA, or requested the SGIA to be filed unexecuted.

If System Operator's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, System Operator will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection

Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this SGIP). System Operator must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted. For the withdrawn Interconnection Customers that System Operator determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this SGIP, System Operator will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this SGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this SGIP).

If the System Operator's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, System Operator will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the SGIA (or filed unexecuted), as described in Section 3.7.1.2.3(a) of this SGIP, or after such execution (or filing unexecuted) of an SGIA, as described in Section 3.7.1.2.3(b) of this SGIP.

As discussed in Section 3.7.1.2.4, System Operator will amend executed (or filed unexecuted) SGIA's of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 6.3 of the pro forma SGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes, or requests the unexecuted filing of, its SGIA, the System Operator will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 6.3 of the pro forma SGIA, the System Operator will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). System Operator shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; (2) executed an SGIA; or (3) request an SGIA to be filed unexecuted. System Operator will perform the financial impact calculation using the following steps.

First, System Operator must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have SGIA's that are executed or have been requested to be filed unexecuted. Next, System Operator shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

- (1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);
- (2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);
- (3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);

(4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution or filing of an unexecuted SGIA;

(5) the restudy to the executed, or filed unexecuted, SGIA (if a restudy was performed after the Facilities Study phase and before the execution or filing of an unexecuted SGIA).

If, based on the above calculations, System Operator determines:

(i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and

(ii) after the impacted Interconnection Customer's SGIA was executed or filed unexecuted, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade,

then System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 6.3 of the pro forma SGIA.

If System Operator determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, System Operator will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this SGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study

Process

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its SGIA, System Operator will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

System Operator will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. The System Operator will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by System Operator.

3.7.1.2.4 Amending SGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted, System Operator must perform the calculations described in Section 3.7.1.2.3(a) of this SGIP and provide such Interconnection Customers with an amended SGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 6.3 of the pro forma SGIA, due from Interconnection Customer to the Interconnecting Transmission Owner.

Where an Interconnection Customer executes the SGIA (or requests the filing of an unexecuted SGIA) and is later withdrawn or its SGIA is terminated, System Operator must, within thirty (30) Calendar Days

of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this SGIP and provide such Interconnection Customers in the same Cluster with an amended SGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 6.3 of the pro forma SGIA, due from Interconnection Customer to Interconnecting Transmission Owner.

Any repayment by Interconnecting Transmission Owner to Interconnection Customer under Article 6.1 of the pro forma SGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Interconnecting Transmission Owner under Article 6.3 of the pro forma SGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, System Operator or Interconnecting Transmission Owner, as appropriate, will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

System Operator shall identify Contingent Facilities before the execution of the SGIA by reviewing the Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or the list of transmission projects planned or proposed for the New England Transmission System to identify those upgrades that are not yet in service but upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Planned or proposed upgrades will be identified as Contingent Facilities for an Interconnection Request if the absence of those upgrades would cause additional Adverse System Impacts to be identified in the Cluster Study, using the same conditions as those used in the Cluster Study. The thresholds for identification of Adverse System Impact for the purpose of identifying Contingent Facilities will be as follows: (i) an increase in the flow in an element by

at least two percent of the element's rating and that causes that flow to exceed that element's appropriate thermal rating by more than two percent where the appropriate thermal rating is the normal rating with all lines in service and the long time emergency or short time emergency rating after a contingency; (ii) a change of at least one percent in a voltage that causes a voltage level that is higher or lower than the appropriate high or low rating by more than one percent; (iii) an increase of at least a one percent change in the short circuit current experienced by an element and that causes a short circuit stress that is higher than an element's interrupting or withstand capability; or (iv) the introduction of a violation of stability criteria. Contingent Facilities that are identified during the evaluation of the Interconnection Request shall be documented in the Cluster Study report or the SGIA for the Small Generating Facility. System Operator shall also provide, upon request of Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time for each identified Contingent Facilities when this information is readily available and not commercially sensitive.

3.9 Penalties for Failure to Meet Study Deadlines.

(1) System Operator or Interconnecting Transmission Owner shall be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this SGIP. The responsibilities of System Operator and Interconnecting Transmission Owner in the conduct of such studies are set forth in the Transmission Operating Agreement and ISO New England Planning Procedures. System Operator or Interconnecting Transmission Owner must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from System Operator's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. System Operator or Interconnecting Transmission Owner must pay the penalty for a late Affected Systems Study on a pro rata basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. Except as provided below, the study delay penalty for each late study shall be distributed no later than forty-five (45) Calendar Days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: \$1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this SGIP; \$2,000

per Business Day for delays of Cluster Re-Studies beyond the applicable deadline set forth in this SGIP; \$2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this SGIP; and \$2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this SGIP. The total amount of a penalty assessed under this Section shall not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Interconnection Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that System Operator or Interconnecting Transmission Owner collects for conducting the Affected System Study.

(3) System Operator or Interconnecting Transmission Owner may appeal to the Commission any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) Calendar Days after the late study has been completed. While an appeal to the Commission is pending, System Operator or Interconnecting Transmission Owner shall remain liable for the penalty, but need not distribute the penalty until forty-five (45) Calendar Days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of the Commission's decision on the appeal are no longer pending before the Commission. The Commission may excuse System Operator or Interconnecting Transmission Owner from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the System Operator or Interconnecting Transmission Owner misses the applicable study deadline.

(5) If (a) System Operator or Interconnecting Transmission Owner needs to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for System Operator or Interconnecting Transmission Owner missing the original deadline.

(6) No penalties shall be assessed until the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after the Commission-approved effective date of this SGIP.

(7) System Operator and Interconnecting Transmission Owner must maintain on its OASIS or its public website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, System Operator and Interconnecting Transmission Owner must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. System Operator and Interconnecting Transmission Owner must post on their respective OASIS or website these penalty amounts for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. System Operator and Interconnecting Transmission Owner must maintain the quarterly measures posted on their respective OASIS or website for three (3) calendar years with the first required posting to be the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after System Operator transitions to the Cluster Study Process.

SECTION 4. INTERCONNECTION REQUEST EVALUATION PROCESS.

4.1 Queue Position.

4.1.1 Assignment of Queue Position.

System Operator shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request provided all items required pursuant to the provisions of Section 3.4.2 of this SGIP are received. A higher Queue Position assigned to an Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of a Cluster initiated earlier in time than an instant Cluster Study shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Cluster.

Any ongoing CSIS or CFACs as of June 13, 2024 shall include the Interconnection Requests that were identified as eligible to participate in the CSIS and CFAC and met the associated requirements for

inclusion in said studies in accordance with Section 4.2 of this SGIP. Interconnection Requests included in such a CSIS or CFAC shall consider a higher queued Interconnection Request not included in the cluster. A lower queued Interconnection Request that is not included in such a CSIS or CFAC shall consider all of the higher queued Interconnection Requests that are part of such a CSIS or CFAC.

4.1.1 Considerations Related to Achieving CNR Interconnection Service.

Participation in a CNR Group Study was required to achieve CNR Interconnection Service and CNI Interconnection Service prior to September 4, 2024.

After September 4, 2024 CNR the Transitional Cluster Study, Transitional CNR Group Study or Cluster Study processes shall be the only means for Generating Facilities subject to the Interconnection Procedures to achieve CNR Interconnection Service.

Interconnection Requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in Base Case for the Transitional CNR Group Study or a Cluster Study in order of submission/approval (the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates) provided that such Section I.3.9 approval was received at least ninety (90) Calendar days after the formation of the Base Case consistent with Section 2.3 of this SGIP.

4.2 General Study Process.

Interconnection Studies performed using clustering shall be conducted in such a manner to ensure the efficient implementation of the applicable Regional System Plan in light of the New England Transmission System's capabilities for the time period under study and consistent with Good Utility Practice.

The System Operator may use subgroups in the Cluster Study Process. If the System Operator elects to use subgroups in the Cluster Study Process, System Operator must publish the criteria used to define and determine subgroups on its OASIS or public website prior to the opening of a Cluster Request Window.

4.2.1 Triggers for CRPS.

The System Operator, at its discretion, may initiate a CRPS pursuant to Section 15 of Attachment K, Section II of the Tariff, when it identifies any of the following interconnection circumstances:

- (1) the withdrawal from the Cluster Study Process of two (2) or more Interconnection Requests for resources in the same electrical part of the New England Control Area; or
- (2) where procurements are underway for resources in the same electrical part of the New England Control Area;

and, none of the resources described in (1) or (2) above will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC.

System Operator may also initiate a CRPS in an electrical part of the New England Control Area where System Operator previously identified the need for a CETU to interconnect new resources.

4.2.2 Notice of Initiation of CRPS.

When the System Operator identifies the interconnection circumstances in Section 4.2.1 of this SGIP, the System Operator will provide notice to the Planning Advisory Committee of the initiation of a CRPS in accordance with Section 15.1 of Attachment K, Section II of the Tariff. The System Operator will perform a CRPS to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources for which the interconnection circumstances described in Section 4.2.1 of this SGIP were identified, consistent with Section 15.2 of Attachment K. The results of the CRPS performed under Attachment K will inform the Cluster entry process and requirements for Interconnection Requests for Generating Facilities that need the CETU to meet the interconnection standards in Schedules 22, 23, or 25 of the OATT. The System Operator will provide notice to Interconnection Customers with Interconnection Request identified as needing the CETU to meet the interconnection standards prior to or at the Cluster Scoping Meeting.

4.2.3 Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1 Cluster Entry Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1.1 CRPS Completed Prior to Transitional Cluster Study For a CRPS that was completed prior to the start of the Transitional Cluster Study, and for which a CSIS has not commenced, all Interconnection Requests identified in the final CRPS report, by Queue Position as assigned in accordance with Section 4.1 of this SGIP, shall be eligible to elect to enter the Transitional Cluster Study under Section 5.1.1.2 of this SGIP. By the deadline to return the Transitional Cluster Study Agreement, an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to elect to enter the Transitional Cluster Study must, in writing:

1. withdraw the Interconnection Request, pursuant to Section 3.7; or
2. request to be included in the Transitional Cluster Study, meet the requirements specified in Section 5.1.1.2, (except for the Commercial Readiness Deposit) and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this SGIP. Such deposit shall be in cash.

If, by the deadline to submit the Transitional Cluster Study Agreement, Interconnection Customer fails to withdraw its Interconnection Request or request to be included in the Transitional Cluster Study and meet the requirements specified in this Section 4.2.3.1.1, then the Interconnection Request will be automatically withdrawn from the interconnection queue without further opportunity to cure. If Interconnection Customer elects option (2) above and does not meet all of the CSIS entry requirements specified in this Section 4.2.3.1.1 by the deadline to submit the Transitional Cluster Study Agreement, the Interconnection Request will be automatically withdrawn from the interconnection queue as of that date without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of an otherwise incomplete Transitional Cluster Study entry requirements submission, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

4.2.3.1.2 CRPS Initiated After the Transition Cluster Study All Interconnection Requests that, based on a final CRPS report that the System Operator has completed pursuant to Attachment K, reasonably expect to, or have been notified by System Operator that they need, the CETU and associated system upgrades identified in that final CRPS report must request to be included in the Cluster Study, meet the requirements specified in Section 5.1.1.2 (with the exception of the Commercial Readiness Deposit), and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this SGIP. Such deposit shall be required to be in cash. If Interconnection Customer does not meet all of the entry

requirements specified in this Section 4.2.3.1.2 by close of the Cluster Request Window, the Interconnection Request will be automatically withdrawn from the interconnection queue as of the Cluster Entry Deadline without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of the incomplete Interconnection Request, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

Where a CRPS under Attachment K has not been completed prior to the opening of a Cluster Entry Window, Interconnection Requests in the electrical part of the system subject to the CRPS will be eligible to participate in the next Cluster Study following completion of the CRPS.

4.2.3.2. CETU Participation Deposit for CETU Eligible Interconnection Requests. By the close of the Cluster Request Window, Interconnection Customer also must submit to the System Operator an initial CETU Participation Deposit equal to five (5) percent of Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CRPS report. If the System Operator subsequently identifies that an Internal ETU has met the requirements to take the place of a CETU, or portion thereof, pursuant to Section 5.1.1.2 and 7.3 of this ETU IP, the initial CETU Participation Deposit will be reduced to exclude the costs associated with the CETU, or portion thereof, that is being replaced by the Internal ETU, and Interconnection Customer shall be refunded the corresponding amount. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The initial CETU Participation Deposit will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this SGIP) to Interconnection Customer with an Interconnection Request that met the cluster entry requirements: (i) if the CETU is initially undersubscribed by more than ten (10) percent of the quantity of megawatts that the CETU developed through the CRPS was designed to enable and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, before the Cluster Study starts, (ii) if the CETU is initially oversubscribed as described in Section 4.2.3.3.2 of this SGIP (e.g., the CETU developed through the CRPS is designed to enable 1,000 MW and more than 1,000 MW meet the Cluster Study or Transitional Cluster Study entry requirements), in which case the CETU Participation Deposit will be refunded to Interconnection Customers with Interconnection Requests corresponding to the oversubscribed megawatt quantities, (iii) if the cost estimates for the CETU and the associated system upgrades provided in the final CRPS report for the entire cluster have increased by twenty-five (25) percent or more when compared to the cost estimates

provided in the draft Cluster Study report or the draft Transitional Cluster Study Report, draft Cluster Study or the draft Facilities Study Report and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within thirty (30) Calendar Days after receipt of the draft Transitional Cluster Study Report, draft Cluster Study Report or the draft Facilities Study Report in accordance with Sections 7.5 and 8.3 of this SGIP, respectively, (iv) if at the time Interconnection Customer with an Interconnection Request included in the CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this SGIP or (v) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue at any time after the Customer Engagement Window. The non-refundable CETU Participation Deposit shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.2.3.3 CETU Filling and Oversubscription.

For purposes of the Transitional Cluster Study, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area that the System Operator previously identified as needing the CETU identified in the final CRPS report and that met the Transitional Cluster Study entry requirements by the Cluster Request Window up to the approximate megawatt quantity identified in the final CRPS report as potentially enabled by the CETU. The Interconnection Requests will be included Transitional Cluster Study in queue order, based on the Queue Positions assigned in accordance with Section 4.1 of this SGIP, relative to other eligible Interconnection Requests. In the event that the CETU is filled and lower queued Interconnection Requests remain, such requests shall be withdrawn by System Operator, all remaining deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

For Cluster Studies, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area submitted during the next Cluster Request Window following the publication of the final CRPS report that the System Operator determines need the CETU identified in the final CRPS report and meet the Cluster Study entry requirements by close of the Cluster Entry Window

up to the approximate megawatt quantity identified in the final CRPS as potentially enabled by the CETU.

If the Interconnection Requests identified by the System Operator as needing the CETU identified in the final CRPS report that elect to enter the Cluster Study exceed the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report, the System Operator shall fill the CETU first with Interconnection Requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals. In the event that the CETU is filled and additional Interconnection Requests are not able to be included, such requests will not proceed into the Cluster Study, all deposits will be refunded, System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

4.2.4. Cluster Interconnection Facilities Study.

The following provisions shall only apply to Interconnection Customers that executed a CFAC prior to the effective date of this SGIP.

Notwithstanding any other provision in this SGIP, an Interconnection Customer with an Interconnection Request included in a completed CSIS will not be eligible to waive the, or request a separate, CFAC. All Interconnection Customers with an Interconnection Request included in a completed CSIS shall be studied together in the CFAC for the purpose of implementing the conclusions of the CSIS with respect to non-sole use facilities.

4.2.4.1 Cluster Interconnection Facilities Study Entry Requirements. An Interconnection Customer with an Interconnection Request that was included in a completed CSIS shall execute an Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator, together with the required technical data and refundable deposit for the Interconnection Facilities Study as specified in Section 8.1 of this SGIP.

4.2.4.2. Scope of Interconnection Facilities Study. The CFAC will be conducted in accordance with Sections 8.2 and 8.3 of this SGIP based on a +/- 20 percent good faith cost estimate.

4.2.4.3 Re-study of the Interconnection Facilities Study. In addition to the circumstances specified in Section 8.5 of this SGIP, a re-study of the CFAC is required due to the withdrawal of an Interconnection Request that had been included in the CFAC. A re-study of the CSIS and CFAC will be conducted to

determine if there are any changes in the upgrades identified during the CSIS and CFAC with the exception of the CETU identified in the final CRPS report, which shall remain configured consistent with the megawatt quantity(ies) considered in the final CRPS report.

4.2.4.4 Additional CETU Participation Deposit. Within thirty (30) Calendar Days after receipt of the final CFAC report in accordance with Section 8.3 of this SGIP, an Interconnection Customer with an Interconnection Request included in the CFAC shall submit to the System Operator an additional CETU Participation Deposit equal to five (5) percent of Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CFAC report. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The additional CETU Participation Deposit provided under this Section 4.2.4 will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this SGIP) to Interconnection Customer that submitted the additional CETU Participation Deposit (i) at the time Interconnection Customer with an Interconnection Request included in this CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this SGIP or (ii) if all Interconnection Requests included in the cluster withdraw from the interconnect queue.

Otherwise, the additional CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue. The non-refundable additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change. Interconnection Customer must notify the System Operator, in writing, of any transfers of Queue Position and must provide the System Operator with the transferee's contact information, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

4.4 Modifications.

Interconnection Customer shall submit to System Operator and Interconnecting Transmission Owner, in writing, modifications to any information provided in the Interconnection Request, including its attachments. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, ~~or~~ 4.4.4 , or 7.5 of this SGIP or the predecessor rules under the SGIP, or are determined not to be Material Modifications pursuant to Section 4.4.2 of this SGIP. The System Operator will notify the Interconnecting Transmission Owner, and, when System Operator deems it appropriate in accordance with applicable codes of conduct and confidentiality requirements, it will notify any Affected Party or Internal Affected Party of such modifications.

A new Interconnection Request be shall be required to: (1) increase the energy capability or capacity capability output of a Generating Facility above that specified in an Interconnection Request, an existing Interconnection Agreement (whether executed or filed in unexecuted form with the Commission), or as established pursuant to Section 5.2 of this SGIP; or (2) change from NR Interconnection Service to CNR Interconnection Service, at any time.

During the course of the Interconnection Studies, the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes do not constitute a Material Modification and are acceptable to the Parties, such acceptance not to be unreasonably withheld, System Operator and the Interconnecting Transmission Owner shall modify the Point of Interconnection prior to the completion of a Cluster Study and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the Cluster Study Agreement or Transitional 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 Small 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 SGIP) accomplished by applying System Operator-approved injection-limiting equipment proposed by Interconnection Customer and subject to review in the Interconnection System Impact Study;

(b) modifying the technical parameters associated with the Small Generating Facility technology or the Small Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

4.4.2 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.4, or 7.5 of this SGIP, Interconnection Customer may first request that the System Operator and Interconnecting Transmission Owner evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, the System Operator in consultation with the Interconnecting Transmission Owner, and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall evaluate, at Interconnection Customer's cost, the proposed modifications prior to making them and the System Operator will inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4.1 of this SGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.3 Interconnection Customer may request, and System Operator shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. System Operator must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to System Operator. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification that does not constitute a Material Modification and therefore is permitted under this Section 4.4 of this SGIP, the System Operator in consultation with the Interconnecting Transmission Owner and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the System Operator, Interconnecting Transmission

Owner, or Affected Party or Internal Affected Party commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.- Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to the Appendix 1 of this SGIP.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Small Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing, provided that the extension(s) do not exceed seven (7) years from the date the Interconnection Request was received by the System Operator. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an SGIA or requesting that the SGIA be filed unexecuted. After an SGIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the SGIA shall be used to calculate the permissible extension. Each cumulative extensions may not exceed three years including both extensions requested after execution of the SGIA by Interconnection Customer or the filing of an unexecuted SGIA by System Operator and those requested prior to execution of the SGIA by Interconnection Customer or the filing of an unexecuted SGIA by System Operator.

4.4.6 Extensions of three (3) or more cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Small Generating Facility to which the Interconnection Request relates or any extension of a duration that results in the Initial Synchronization Date exceeding the date the Interconnection Request was received by the System Operator by seven (7) or more years is a Material Modification unless Interconnection Customer demonstrates to the System Operator due diligence, including At-Risk Expenditures, in pursuit of permitting, licensing and construction of the Small Generating Facility to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in the Interconnection Request. Such demonstration shall be based on evidence to be provided by Interconnection Customer of accomplishments in permitting, licensing, and construction in an effort to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in this Interconnection Request. Such evidence may include filed documents, records of public hearings, governmental agency findings, documentation of actual construction progress or documentation acceptable to the System Operator showing At-Risk Expenditure made previously, including the previous four (4) months. If the evidence demonstrates that

Interconnection Customer did not undertake reasonable efforts to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date specified in the Interconnection Request, or demonstrates that reasonable efforts were not undertaken until four (4) months prior to the request for extension, the request for extension shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed Material Modification or proceed with a new Interconnection Request for such modification.

SECTION 5. PROCEDURES FOR TRANSITION.

5.1 Procedures for Transitioning to the Cluster Study Process

5.1.1 Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) shall retain that Queue Position subject to the requirements in Sections 5.1.1.1 and 5.1.1.2 of this SGIP. Any Interconnection Customer that fails to meet these entry requirements shall have its Interconnection Request deemed withdrawn by System Operator pursuant to Section 3.7 of this SGIP without further opportunity to cure. In such case, System Operator shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this section shall be tendered an SGIA pursuant to Section 11 of this SGIP, and shall not be required to enter this transition process.

System Operator shall not accept Interconnection Requests submitted after the thirty (30) Calendar Day period described in this section until the first Cluster Request Window opens.

5.1.1.1 Transitional Serial Study. An Interconnection Customer that has been tendered an Interconnection Facilities Study (Agreement (other than a CFAC Agreement) as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) may opt to proceed with an Interconnection Facilities Study or proceed directly to SGIA negotiations. System Operator shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of Appendix 6 to this SGIP, no later than the Commission-approved effective date of this SGIP. System Operator shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Serial Interconnection

Facilities Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this SGIP. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without further opportunity to cure and without penalty. System Operator must commence the Transitional Serial Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this SGIP.

All of the following must be included when an Interconnection Customer returns the Transitional Serial Interconnection Facilities Study Agreement:

- (1) A deposit equal to one hundred percent (100%) of the costs identified for Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trued up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual SGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 6.1 of the pro forma SGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled. The deposit shall be 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.
- (2) Exclusive Site Control for 100% of the proposed Generating Facility.
- (3) A study deposit in the amount of the greater of \$100,000 (for new NR Interconnection Service or CNR Interconnection Service requests), \$50,000 (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 or changes from existing NR Interconnection Service to CNR Interconnection Service) or estimated study costs

Interconnecting Transmission Owner or System Operator shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of the Commission-approved effective date of this SGIP.

After System Operator issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this SGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this SGIP).

5.1.1.2 Transitional Cluster Study

An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) may opt to proceed with a Transitional Cluster Study. System Operator shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 5 to this SGIP, no later than the Commission-approved effective date of this SGIP. System Operator shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1) – (4) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of the Commission-approved effective date of this SGIP. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty and with no further opportunity to cure. System Operator must commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrade costs shall be allocated in the manner described in Schedule 11 to the OATT. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this SGIP. Interconnection Customers for which the System Operator projects to complete the system impact studies between May 14, 2024 and August 30, 2024, shall be tendered a Transitional Cluster Study Agreement, in the form of Appendix 5 to this SGIP, no later than the Commission-approved effective date of this SGIP. However, if Interconnection Customer accepts the results of its system impact study on or before August 30, 2024, the

System Operator shall not include the Interconnection Request in the Transitional Cluster Study and instead tender a Small Generator Interconnection Agreement pursuant to Section 11 of this SGIP, and refund any deposits associated with participation in the Transitional Cluster Study.

Notwithstanding any other provision, an Interconnection Customer with a valid Queue Position prior to June 13, 2024 that includes a Commercial Operation Date earlier than April 28, 2028, may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than April 28, 2028.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

- (1) A selection of either Network Resource Interconnection Service or Capacity Network Resource Interconnection Service. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.
- (2) A deposit of five hundred thousand (\$500,000) 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, 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. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the SGIA. Any amounts in excess of the actual

construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 6.1 of the pro forma SGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled.

- (3) Exclusive Site Control for 100% of the proposed Generating Facility.
- (4) A study deposit in the amount of one-hundred thousand (\$100,000) for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and fifty-thousand (\$50,000) 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-Any unused balance of the study deposit associated with the Interconnection Request shall be applied toward the study deposit associated with the Transitional Cluster Study Agreement.
- (5) All technical data required under Appendix 1, Attachment A and Attachment A-1 (if applicable) of this SGIP to the extent Interconnection Customer has not already provided such data.

System Operator shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The Study Case for the Transitional Cluster Study shall include any CETU and associated system upgrades identified in a final CRPS Report prior to the opening of the Transitional Cluster Study, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from the Transitional Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Transitional Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal

ETU have indicated by the end of the deadline to submit the Transitional Cluster Study Agreement that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

The interim Transitional Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of Contingent Facilities
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Administered Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of the Commission-approved effective date of this SGIP, respectively, and shall be posted on System Operator's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this SGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After System Operator issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this SGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine

(9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this SGIP).

5.1.1.3 Transitional CNR Group Study.

In accordance with Section III.13.1.1.2.3A, System Operator shall conduct a Transitional CNR Group Study following the effective date of this SGIP. An Interconnection Customer with an assigned Queue Position as of May 1, 2024 may participate in the Transitional CNR Group Study, and consistent with Section II.48 of the Tariff, achieve CNR Interconnection Service. Any Interconnection Customer seeking to establish CNR Interconnection Service through this study must (1) have a valid Interconnection Request seeking CNR Interconnection Service, (2) submit a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process, (3) have not secured a Capacity Supply Obligation prior to September 4, 2024, (4) have a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before July 1, 2024, and 5) have a Commercial Operation Date prior to June 1, 2028.

System Operator shall conduct the study by performing an overlapping impacts analysis in the manner used for CNR Group Studies conducted prior to the effective date of this SGIP and as described in ISO Section III.13.1.1.2.3A and the ISO New England Planning Procedures. The Transitional CNR Group Study shall assure that Interconnection Customer's Small Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures.

Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in the Transitional CNR Group Study in order of submission/approval (the dates of submission shall be used for Interconnection Requests submitted to the System Operator and the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates). Interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates that have not yet received the System Operator's approval

for their Proposed Plan Applications under Section I.3.9 of the Tariff at the commencement of the Transitional CNR Group Study shall be included in the Transitional CNR Group Study after all Interconnection Requests submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and all interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff have been included in the Transitional CNR Group Study in order of submission to the Interconnecting Transmission Owners or their distribution company affiliates.

Where an Interconnection Customer with a CNR or CNI Interconnection Service Interconnection Request submits a Show of Interest Form to participate in the Transitional CNR Group Study, and identifies in that Show of Interest Form that one or more Elective Transmission Upgrade Interconnection Request(s) for an Internal ETU (with a completed Interconnection System Impact Study), that is not already included in the network model pursuant to Section III.12 of the Tariff supports its deliverability, the CNR or CNI Interconnection Request will be included in the Transitional CNR Group Study at the lowest of the CNR or CNI Interconnection Request's or its associated Elective Transmission Upgrade Interconnection Request(s) for the Internal ETU's Queue Position. Where multiple Interconnection Customers' CNR or CNI Interconnection Service Interconnection Requests are associated with the same lower Queue Position for an Elective Transmission Upgrade Interconnection Request for an Internal ETU in the CNR Group Study, the CNR Interconnection Request's Queue Position will be used as the tie breaker to dictate the relative order in which the CNR Interconnection Service Interconnection Request will be included in the CNR Group Study.

Any Interconnection Customer seeking to participate in the Transitional CNR Group Study that receives a qualification determination notification under Section III.13.1.1.2.8 of the Tariff, must provide, a Commercial Readiness Deposit of one million dollars (\$1,000,000) in the form of an irrevocable letter of credit, cash, or a combination thereof prior to the opening of the window to elect critical path schedule monitoring. Such deposit shall be refunded to Interconnection Customer: (a) upon the Generating Facility achieving Commercial Operation. If Interconnection Customer does not achieve Commercial Operation, System Operator shall refund the deposit to Interconnection Customer in accordance with Section 3.7 of this SGIP.

5.2 Grandfathering.

5.2.1 An Interconnection Customer's Generating Facility that is interconnected pursuant to an Interconnection Agreement executed or submitted to the Commission for approval prior to February 1, 2009, will maintain its status as a Network Resource with Network Resource Interconnection Service eligible to participate in the New England Markets, in accordance with the requirements of Market Rule 1, Section III of the Tariff, up to the megawatt amount specified in the Interconnection Agreement, subject to Interconnection Customer satisfying all requirements set forth in the Interconnection Agreement and this SGIP or the predecessor rules under the SGIP. If the Generating Facility does not meet the criteria set forth in Section 5.2.3 of this SGIP, Interconnection Customer will be eligible to make a one-time election, pursuant to Section 5.1.3, for Capacity Network Resource treatment without submitting a new Interconnection Request; however, Interconnection Customer will be required to comply with the requirements for CNR Interconnection Service set forth in Section 3.2.1. Upon completion of the requirements to obtain CNR Interconnection Service, Interconnection Customer's Interconnection Agreement shall be amended to conform to the SGIA in Appendix 11 of this SGIP.

5.2.2 An Interconnection Customer's Generating Facility governed by an Interconnection Agreement either executed or filed with the Commission in unexecuted form prior to August 1, 2008, shall maintain the Queue Position assigned as of August 1, 2008, and be eligible to participate in the New England Markets, in accordance with the requirements in Market Rule 1, Section III of the Tariff, as in effect as of August 1, 2008, so long as Interconnection Customer complies with all of the requirements specified in the Interconnection Agreement, including achieving the milestones associated with At-Risk Expenditures, subject to Section 4.4 of this SGIP.

5.2.3 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a CNR and obtain CNR Interconnection Service, in accordance with this SGIP, up to the CNR Capability of the resource. The grandfathered CNR Capability for these resources shall be equal to the megawatt amount established pursuant to the following hierarchy:

- (a) First, the megawatt amount specified in an Interconnection Agreement (whether executed or filed in unexecuted form with the Commission).

(b) Second, in the absence of an Interconnection Agreement with a specified megawatt amount, the megawatt amount specified in an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision).

(c) Third, in the absence of an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) with a specified megawatt amount, as determined by the System Operator based on documented historic capability of the Generating Facility.

Where a resource has both an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision), the lower megawatt amount will govern until the resource completes the applicable process(es) under the Tariff for obtaining the higher megawatt amount. The absence of an Interconnection Agreement or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) specifying a megawatt amount shall be confirmed by an affidavit executed by a corporate officer of the resource attesting that the resource does not have an Interconnection Agreement and/or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) that specifies a megawatt amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) specifies a megawatt amount at an ambient temperature consistent with the definition of CNR Capability, the grandfathered CNR Capability shall be equal to that amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of CNR Capability.

Where the implementation of this Section 5.2.3 results in a CNR Capability that is different than previously had been identified, the revised CNR Capability will be applied commencing with the next Forward Capacity Auction qualification process (after the revised CNR Capability value is identified), which is initiated by the closing deadline of the Show of Interest Submission Window in accordance with Section III.13 of the Tariff. The revised CNR Capability will continue to govern until the resource completes the applicable process(es) for obtaining the higher megawatt amount.

5.2.4 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a NR and obtain NR Interconnection Service, in accordance with this SGIP, up to the NR Capability of the resource. The grandfathered NR Capability shall be determined pursuant to the hierarchy set forth in Section 5.2.3.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) of a resource for which a temperature-adjustment curve is used for the claimed capability verification, as set forth in the ISO New England Manuals, specifies a megawatt amount at an ambient temperature, the grandfathered NR Capability shall be equal to a temperature-adjusted value consistent with the definition of NR Capability.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of NR Capability.

5.3 New System Operator or Interconnecting Transmission Owner.

If the System Operator transfers operational control of the New England Transmission System to a successor System Operator during the period when an Interconnection Request is pending, the System Operator shall transfer to the successor System Operator any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this SGIP shall be paid by or refunded to Interconnection Customer, as appropriate. The System Operator shall coordinate with the successor System Operator to complete any Interconnection Study, as appropriate, that the System Operator has begun but has not completed.

If the Interconnecting Transmission Owner transfers ownership of its transmission facilities to a successor transmission owner during the period when an Interconnection Request is pending, and System Operator in conjunction with Interconnecting Transmission Owner has tendered a draft SGIA to Interconnection Customer but Interconnection Customer has not either executed the SGIA or requested the filing of an unexecuted SGIA with the Commission, unless otherwise provided, Interconnection Customer must complete negotiations with the successor transmission owner.

SECTION 6. INTERCONNECTION INFORMATION ACCESS.

6.1 Publicly Posted Interconnection Information.

System Operator shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection on the Administered Transmission System under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the Administered Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Administered Transmission System with the transfer simulated from each point of interconnection to the whole Administered Transmission System footprint (to approximate Capacity Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

For Interconnection Requests that were identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff, prior to the effective date of this SGIP, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. Any difference between the study deposit and the actual cost of the Interconnection Feasibility Study or the actual costs incurred by the Interconnecting Transmission Owner in developing the costs estimates in support of the CRPS shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3.

6.2 Pre-Application for Small Generators

6.2.1 The System Operator shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from Interconnection Customer presenting a proposed project for a specific site. The names, telephone numbers, and e-mail addresses of the System Operator's contact employees or offices shall be made available on the System Operator's public web site. Electric system information provided to Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Administered Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The System Operator shall comply with reasonable requests for such information.

6.2.2 In addition to the information described in Section 6.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form to the System Operator along with a non-refundable fee of \$500 for a pre-application report on a proposed project at a specific site. Within two (2) Business Days of receiving the pre-application report request form, the System Operator shall provide a copy of the pre-application request form to the Interconnecting Transmission Owner. The System Operator in conjunction with the Interconnecting Transmission Owner shall provide the pre-application data described in Section 6.2.3 to Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$500 fee. The pre-application report produced by the System Operator in conjunction with the Interconnecting Transmission Owner is non-binding, does not confer any rights, and Interconnection Customer must still successfully apply to interconnect to the Administered Transmission System. The written pre-application report request form shall include the information in Sections 6.2.2.1 through 6.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

6.2.2.1 Project contact information, including name, address, phone number, and email address.

6.2.2.2 Project location (street address with nearby cross streets and town)

6.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

6.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

6.2.2.5 Size (alternating current kW)

6.2.2.6 Single or three phase generator configuration

6.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

6.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

6.2.3 Using the information provided in the pre-application report request form in Section 6.2.2., the System Operator in conjunction with the Interconnecting Transmission Owner will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. The selection by the System Operator in conjunction with the Interconnecting Transmission Owner does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. If the pre-application report request form seeks information about a Point of Interconnection that is on a distribution facility, Interconnection Customer shall follow the applicable state tariff, rules or procedures regarding generator interconnections. Subject to Section 6.2.4, the pre-application report will include the following information:

6.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.

6.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

6.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

6.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).

6.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

6.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.

6.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.

6.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load and absolute minimum load, when available.

6.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.

6.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

6.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.

6.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

6.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

6.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the System Operator or the Interconnecting Transmission Owner to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the System Operator in conjunction with the Interconnecting Transmission Owner cannot complete all or some of a pre-application report due to lack of available data, the System Operator in conjunction with the Interconnecting Transmission Owner shall provide Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to Section 6.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the System Operator in conjunction with the Interconnecting Transmission Owner shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

SECTION 7. CLUSTER STUDY.

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, System Operator and Interconnecting Transmission Owner shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 of this SGIP. The Cluster

Study Agreement shall require Interconnection Customer to compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Cluster Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the SGIA, pursuant to Section 13.3 of this SGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this SGIP shall be subject to change by System Operator and Interconnecting Transmission Owner following the conclusion of the Scoping Meeting.

7.2 Execution of the Cluster Study Agreement.

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to the System Operator no later than the close of the Customer Engagement Window.

In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the estimated costs of the Cluster Study that are expected to be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Cluster Study, including the study agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Cluster Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection System Impact Study. Costs of Cluster Studies shall be allocated to all Interconnection Customers on a 50% per capita, and 50% per MW basis. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

If at any time during the Cluster Study, including during the Customer Engagement Window, System Operator determines that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, including during the Customer Engagement Window that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, System Operator shall notify Interconnection Customer and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study

Agreement or required deposits. Failure to provide all required information within this period will result in automatic withdrawal of Interconnection Request from queue without the cure period provided under Section 3.7 of this SGIP).

7.3 Scope of Cluster Study.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability and operation of the New England Transmission System. The Cluster Study will consider the Base Case as well as all generating facilities and Elective Transmission Upgrades (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Affected Systems or Internal Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the New England Transmission System and may have an impact on the Interconnection Request; and (iv) have no Queue Position but have executed an Interconnection Agreement or requested that an unexecuted Interconnection Agreement be filed with the Commission (the “Study Case” for the Cluster Study). The Study Case shall also include any CETU and associated system upgrades identified in a final CRPS report prior to the opening of the Cluster Request Window, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from a Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the Customer Engagement Window that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall consider the level of Interconnection Service requested by Interconnection Customers in the Cluster. However, the Cluster Study shall consider the full Generating Facility capability to ensure the

acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system.

The Cluster Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, such as electromagnetic transient analysis, including thermal analysis and voltage analysis, a system protection analysis and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner, the results of which are documented in a single Cluster Study Report, as applicable. Interconnecting Transmission Owner(s) and Internal Affected Systems (if applicable) shall provide to System Operator, within thirty (30) days of a request, and for purposes of inclusion in the Cluster Study Report, non-binding good faith estimates of cost responsibility for required upgrades, and a non-binding good faith estimated times to construct such upgrades.

At the conclusion of the Cluster Study, System Operator and Interconnecting Transmission Owner shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based, state the results of the analyses, and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study report will provide (i) a list of Interconnection Facilities and Network Upgrades that are required to reliably interconnect the Generating Facilities in that Cluster Study and a non-binding good faith estimate of cost responsibility; (ii) a non-binding good faith estimated time to construct; (iii) a protection assessment to determine the required protection upgrades; and may provide (iv) an evaluation of the siting of the Interconnection Facilities and Network Upgrades; and (v) identification of the likely permitting and siting process including easements and environment work. The Cluster Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method described in Schedule 11, Section II of the Tariff. System Operator shall hold an open stakeholder meeting pursuant to Section 7.4 of this SGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures. These requests for Interconnection Service also may be subject to

other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. System Operator shall evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. System Operator shall include an explanation of the results of the System Operator's evaluation for each technology in the Cluster Study Report.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests within the Cluster and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Cluster Study Procedures.

The System Operator shall coordinate the Cluster Study with the Interconnecting Transmission Owner, and with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, that is affected by the Interconnection Request pursuant to Section 3.6 of this SGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and System Operator and Interconnecting Transmission Owner shall initiate the Cluster Study process pursuant to Section 7 of this SGIP.

The System Operator and Interconnecting Transmission Owner shall complete the Cluster Study within two hundred and seventy (270) Calendar Days of the close of the Customer Engagement Window. Within ten (10) Business Days of simultaneously issuing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, the System Operator shall convene a Cluster Study Report Meeting.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Cluster Study, the System Operator shall notify Interconnection Customer as to the schedule status of the Cluster Study. If the System Operator and Interconnecting Transmission Owner are unable to complete the Cluster Study within the time period, the System Operator shall notify Interconnection Customers and provide an estimated start date if the study has not commenced and completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customers all supporting documentation, workpapers and relevant Study Case power flow, short circuit and stability databases that have been developed for the Cluster Study to any third party consultant retained by Interconnection Customers. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customers.

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

- (a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this SGIP; and
- (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to System Operator five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. System Operator shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this SGIP.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this SGIP. Upon System Operator determining that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall notify Interconnection Customer. Within ten (10) Business Days of

such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to System Operator's approval, not to be unreasonably withheld. Absent such demonstration, System Operator shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this SGIP (without the cure period provided under Section 3.7 of this SGIP).

At the same time that Interconnection Customer submits the information required under this Section 7.5(1)(a) and (b), an Interconnection Customer may also request a decrease in the size of the Small Generating Facility, provided that the Cluster Study identified that the Small Generating Facility proposed in Interconnection Customer's Interconnection Request does not share any Network Upgrades with a Generating Facility or Elective Transmission Upgrade proposed in a separate Interconnection Request. If System Operator determines that a Cluster Restudy is required under this Section 7.5 of this SGIP, within ten (10) Business Days of that determination Interconnection Customer shall provide all required updated modeling and data associated with the requested decrease in the size of the Small Generating Facility for use in the Cluster Restudy. If the System Operator determines that a Cluster Restudy is not required, Interconnection Customer's request to decrease the size of the Small Generating Facility shall constitute a Material Modification pursuant to Section 4 of this SGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this SGIP after completion of the Cluster Study or Cluster Restudy, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this SGIP, [System Operator and Interconnecting Transmission Owner] shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If [System Operator and Interconnecting Transmission Owner] determine a Cluster Restudy is not necessary, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and System Operator shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this SGIP, and [System Operator and Interconnecting Transmission Owner] determine a Cluster Restudy is necessary as a result, System Operator shall notify Interconnection

Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. System Operator and Interconnecting Transmission Owner shall continue with such restudies until System Operator and Interconnecting Transmission Owner determine that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this SGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed SGIAs, or requested that unexecuted SGIAs be filed, and System Operator and Interconnecting Transmission Owner determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this SGIP, System Operator shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this SGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this SGIP. System Operator and Interconnecting Transmission Owner shall complete the Cluster Restudy within ninety (90) Calendar Days of the System Operator informing Interconnection Customers in the cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). System Operator shall hold a meeting with Interconnection Customers in the Cluster, Interconnecting Transmission Owners, and any Affected Party or Internal Affected party as deemed appropriate by the System Operator (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and System Operator and Interconnecting Transmission Owner shall follow the procedures of this Section 7.5 of this SGIP until such time that System Operator and Interconnecting Transmission Owner determine that no further restudies are required. System Operator shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Within twenty (20) Calendar Days following the Cluster Study Results Meeting, or Cluster Restudy Results Meeting (as appropriate) study results meeting, Interconnection Customer shall provide to the System Operator written notice that it will either pursue the Interconnection Facilities Study or waive the Interconnection Facilities Study and elect an expedited interconnection. Notwithstanding the foregoing

sentence, the option to waive the Interconnection Facilities Study is not available for Interconnection Customers that share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy unless each Interconnection Customer agrees in writing to waive the Interconnection Facilities Study. In a case where Interconnection Customers share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy and do not agree to waive the Interconnection Facilities Study, such study shall be performed at a level of +/- 20 percent. Once Interconnection Customer notifies the System Operator of its election, such election is not subject to change. If Interconnection Customer elects to pursue the Facilities Study it must proceed with the study. If Interconnection Customer waives the Facilities Study, it shall commit to the following milestones in the SGIA: (i) Siting approval for the Generating Facility and Interconnection Facilities; (ii) Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner; (iii) Ordering of long lead time material for Interconnection Facilities and system upgrades; (iv) Initial Synchronization Date; and (v) Commercial Operation Date.

7.6 Operational Readiness.

The System Operator shall, as close to Interconnection Customer's actual Synchronization Date as reasonably possible, ensure that operational analysis, including current stability analyses, power flow analyses, and any other analyses deemed necessary by the System Operator, are performed, and that procedures are developed or updated to address the operation of the New England Transmission System with the addition of Interconnection Customer's Generating Facility. The operational analysis will also include tests of system performance with selected facilities out of service. Such studies shall be performed at the expense of Interconnection Customer.

The System Operator is not obligated to perform the operational analyses described in this Section 7.7 if, in the exercise of reasonable discretion, the System Operator in consultation with Interconnecting Transmission Owner determines that interconnection of Interconnection Customer's Generating Facility to the Administered Transmission System is remote and speculative.

Commissioning tests of Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The System Operator and the Interconnecting Transmission Owner must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

SECTION 8. INTERCONNECTION FACILITIES STUDY.

8.1 Interconnection Facilities Study Agreement.

Except as otherwise provided in Section 4.2.4 and 7.5 of this SGIP, Interconnection Customer may waive the Interconnection Facilities Study and instead elect expedited interconnection, which means that Interconnection Customer may enter into E&P Agreements under Section 13.7 if it had not already done so, and shall enter into an SGIA in accordance with the requirements specified in Section 11.

If Interconnection Customer waives the Interconnection Facilities Study, Interconnection Customer, subject to the specific terms of the E&P Agreements, assumes all risks and shall pay all costs associated with equipment, engineering, procurement and construction work covered by the Cluster Study as described in Section 8.2 below.

Within five (5) Business Days following System Operator notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), the System Operator shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this SGIP.

Interconnection Customer shall compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Interconnection Facilities Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the SGIA. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a non-binding good faith estimate of the cost for completing the Interconnection Facilities Study in accordance with requirements specified in Section 8.3 of this SGIP. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator within thirty (30) Calendar Days after its receipt, together with:

(1) any required technical data;

(2) demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the System Operator in accordance with Section 3.4.2 of this SGIP;

(3) an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. In the case of a CETU-enabled Interconnection Request such deposit shall be made in cash.

System Operator/Interconnecting Transmission Owner shall refund the Commercial Readiness Deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this SGIP.

In accordance with Section 8.3, Interconnection Customer shall specify in Attachment A to the Interconnection Facilities Study Agreement whether it wants no more than a +/- 20 percent or a +/- 10 percent good faith cost estimate contained in the report. The deposit for the study shall be either: (i) the greater of twenty-five percent of the estimated cost of the study or \$100,000;

Any difference between the study deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the cost of the Interconnection Facilities Studies that will be, or have been incurred by the System Operator and/or the Interconnecting Transmission Owner for the Interconnection Facilities Study, the study agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Interconnection Facilities Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Facilities Study. For a CFAC that began before May 31, 2024, costs that are associated with an individual Interconnection Request assessed within the CFAC will be charged directly to that Interconnection Customer. CFAC costs that are associated with the CFAC as a whole will be divided equally, on a per-project basis, among Interconnection Customers in the cluster. The System Operator and the Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the

amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Administered Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study shall also identify any potential control technology for (1) requests for Interconnection Service at a level that is lower than the nameplate capability of the facility, and/or (2) or for Generating Facilities that include at least one electric storage resource, where study of the charging mode of the electric storage resource(s), was done using net shoulder system load as defined in the ISO New England Planning Procedures. The scope and cost of the Interconnection Facilities Study shall include completion of any engineering work limited to what is reasonably required to (i) estimate such aforementioned cost to the accuracy specified by Interconnection Customer pursuant to Section 8.3, (ii) identify, configurations of required facilities and (iii) identify time requirements for construction and installation of required facilities.

8.3 Interconnection Facilities Study Procedures.

The System Operator shall coordinate the Interconnection Facilities Study with Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, pursuant to Section 3.6 of this SGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The System Operator and Interconnecting Transmission Owner shall complete the study and the System Operator shall issue a draft Interconnection Facilities Study report to Interconnection Customer, Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed

appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- twenty percent (20%) good faith cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- ten percent (10%) good faith cost estimate. Such cost estimates either individually or in the aggregate will be provided in the final study report.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Interconnection Facilities Study, System Operator shall notify Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, as to the schedule status of the Interconnection Facilities Study. If the System Operator is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, the System Operator shall notify Interconnection Customer, Interconnecting Transmission Owner and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer and appropriate Affected Parties or Internal Affected Parties may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the System Operator and Interconnecting Transmission Owner, which the System Operator shall include in the final Interconnection Facilities Study Report. The System Operator shall issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The System Operator may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require the System Operator or Interconnecting Transmission Owner to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, or any third party consultant retained by Interconnection Customer supporting documentation, with workpapers, and

databases or data developed in the preparation of the Interconnection Facilities Study. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customer.

8.4 Meeting with Parties.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, the System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Interconnection Facilities Study.

8.5 Restudy.

If Restudy of the Interconnection Facilities Study is required due to (i) a higher or equally queued project withdrawing from the queue, (ii) a modification of a higher or equally queued project subject to Section 4.4 of this SGIP, or (iv) a modification to a transmission project included in the Base Case, the System Operator shall notify Interconnection Customer and Interconnecting Transmission Owner in writing. Each Restudy shall be conducted serially based on the Queue Position of each Interconnection Customer, and each Restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this SGIP in the case of withdrawing Interconnection Customer, any cost of Restudy shall be borne by Interconnection Customer being restudied. If the original Interconnection Facilities Study is complete and the final invoice has been issued, the Restudy shall be performed under a new Interconnection Facilities Study Agreement.

Section 9 Affected System Study.

9.1 Applicability.

This Section 9 outlines the duties of System Operator and Interconnecting Transmission Owner when they receive notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System.

9.2 Response to Notifications

9.2.1 Response to Initial Notification

When System Operator receives initial notification either following the Cluster Study or a Cluster Restudy notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System, System Operator must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after the System Operator responds with its affirmative intent to conduct an Affected System Study, System Operator shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy System Operator will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that System Operator intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If System Operator decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this SGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If System Operator decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this SGIP.

9.3 Affected System Queue Position.

System Operator must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the System Operator's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this SGIP, System Operator and Interconnecting Transmission Owner shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this SGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this SGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.

Unless otherwise agreed, System Operator shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 7 or Appendix 8 to this SGIP, as applicable, within ten (10) Business Days of System Operator sharing the schedule for the Affected System Study per Section 9.2.1 of this SGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate System Operator and Interconnecting Transmission Owner for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. System Operator shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to System Operator, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If System Operator notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this SGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, System Operator shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the New England Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected the New England Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may

have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an SGIA or requested that an unexecuted SGIA be filed with FERC. System Operator and Interconnecting Transmission Owner has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

System Operator shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. System Operator and Interconnecting Transmission Owner shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, System Operator and Interconnecting Transmission Owner shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If System Operator and Interconnecting Transmission Owner are unable to complete the Affected System Study within the requisite time period, it shall notify Affected System

Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. If System Operator and Interconnecting Transmission Owner do not meet the deadlines in this section, System Operator and Interconnecting Transmission Owner shall be subject to the financial penalties as described in Section 3.9 of this SGIP. Upon request, System Operator shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this SGIP.

System Operator and Interconnecting Transmission Owner must study an Affected System Interconnection Customer using the Energy Resource Interconnection Service modeling standard used for Interconnection Requests on the New England Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Results Meeting.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), System Operator, Interconnecting Transmission Owner and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

System Operator shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Schedule 11 of the OATT.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

System Operator shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 9 or 10 to this SGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the

Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. System Operator shall execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, System Operator shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

SECTION 10. OPTIONAL INTERCONNECTION STUDY.

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Cluster Study Report and no later than five (5) Business Days after the study results meeting to review the report, Interconnection Customer may request in writing, and the System Operator in coordination with the Interconnecting Transmission Owner shall perform, an Optional Interconnection Study. The request shall describe the assumptions that Interconnection Customer wishes the System Operator to study within the scope described in Section 10.2 of this SGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, the System Operator shall provide to the Interconnecting Transmission Owner and Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case, and (iii) specify the System Operator's and Interconnecting Transmission Owner's estimate of the cost of the Optional Interconnection Study. To the extent known by the System Operator, such estimate shall include any costs expected to be incurred by any Affected System or Internal Affected System whose participation is necessary to complete the

Optional Interconnection Study. The Optional Interconnection Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Optional Interconnection Study, including the cost of developing the study agreement and its attachment(s). Notwithstanding the above, the System Operator and Interconnecting Transmission Owner shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the required technical data and the refundable deposit for the Optional Interconnection Study to the System Operator. The deposit for the study shall be 100 percent of the estimated cost of the study. Any difference between the study deposit and the actual cost of the Optional Interconnection Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the costs of the Optional Interconnection Study that have been, or will be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Optional Interconnection Study and the study agreement and its attachments(s). Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposits until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The System Operator shall use Reasonable Efforts to coordinate the study with any Affected Systems and Internal Affected Systems that may be affected by the types of Interconnection Services that are being studied. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

The Optional Interconnection Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, including thermal analysis and voltage analysis, a system protection analysis, and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to the System Operator and Interconnecting Transmission Owner within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed-upon time period specified within the Optional Interconnection Study Agreement. If the System Operator and Interconnecting Transmission Owner are unable to complete the Optional Interconnection Study within such time period, the System Operator shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study to any third party consultant retained by Interconnection Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to Interconnection Customer.

10.4 Meeting with Parties.

Within ten (10) Business Days of providing an Optional Interconnection Study report to Interconnection Customer, System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Optional Interconnection Study.

10.5 Interconnection Agreement Developed Based on Optional Interconnection Study.

If the SGIA for a Small Generating Facility is based on the results of an Optional Interconnection Study, the SGIA shall reflect the conditions studied and any obligations that may involve: (i) additional studies if such conditions change, (ii) operational limits, or (iii) financial support for transmission upgrades.

SECTION 11. STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA).

11.1 Tender.

Interconnection Customer shall tender comments or provide notice, in writing, to the System Operator and Interconnecting Transmission Owner that Interconnection Customer has no comments on the draft Interconnection Facilities Study Report, within thirty (30) Calendar Days of receipt of the report. Except as provided in the E&P Agreement or any mutual agreement by the entities that would be Parties to the SGIA, the System Operator shall initiate the development of the SGIA process within fifteen (15) Calendar Days after the comments are submitted or waived, or within fifteen (15) Calendar Days of notifying System Operator that it will waive the Interconnection Facilities Study, by tendering to Interconnection Customer a draft SGIA, together with draft appendices completed by the System Operator, in conjunction with the Interconnecting Transmission Owner to the extent practicable. The draft SGIA shall be in the form of the System Operator's Commission-approved standard form SGIA, which is in Appendix 11 to Schedule 23. Interconnection Customer shall return Interconnection Customer specific information required to complete the form of SGIA, including the appendices, in Appendix 11 of Schedule 23 that Interconnection Customer is willing to execute within thirty (30) Calendar Days after receipt of the draft from the System Operator, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this SGIP has commenced, or (2) SGIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this SGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this SGIP, at the request of Interconnection Customer, the System Operator and Interconnecting Transmission Owner shall begin negotiations with Interconnection Customer concerning the appendices to the SGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement or after the Cluster Study and/or Cluster Restudy is complete if Interconnection Customer intends to waive the Interconnection Facilities Study. In the event that

Interconnection Customer waives the Interconnection Facilities Study and proceeds directly from the Cluster Study or Cluster Restudy to SGIA negotiation, Interconnection Customer shall an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%), as required by Section 8.1 of this SGIP, within thirty (30) Calendar Days of the Cluster Study Report Meeting or Cluster Restudy Report meeting (as applicable). The System Operator, Interconnection Customer, and Interconnecting Transmission Owner shall negotiate concerning any disputed provisions of the appendices to the draft SGIA for not more than sixty (60) Calendar Days after tender by the System Operator of the draft SGIA pursuant to Section 11 of this SGIP. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft SGIA pursuant to Section 11.1 of this SGIP and request submission of the unexecuted SGIA with the Commission or initiate Dispute Resolution procedures pursuant to Section 13.5 of this SGIP. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted SGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the SGIA, requested filing of an unexecuted SGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 of this SGIP within sixty (60) Calendar Days of tender of by the System Operator of the draft SGIA pursuant to Section 11.1, it shall be deemed to have withdrawn its Interconnection Request. The System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a final SGIA within fifteen (15) Business Days after the mutually agreed completion of the negotiation process.

11.2.1 Delay in SGIA Execution, or Filing Unexecuted, to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its SGIA (or request that its SGIA be filed unexecuted) pursuant to Section 11.1 of this SGIP, System Operator shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying SGIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to SGIA execution, or request unexecuted filing, without those results, it may notify System Operator of its intent to proceed with SGIA execution (or request that its SGIA be filed unexecuted) pursuant to Section 11.1 of this SGIP. If System Operator determines that further delay to the SGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued

interconnection customer, System Operator must notify Interconnection Customer of such impacts and set the deadline to execute the SGIA (or request that the SGIA be filed unexecuted) to thirty (30) Calendar Days after such notice is provided.

11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of SGIA.

11.3.1 Evidence to be Provided by Interconnection Customer.

11.3.1.1 Site Control and SGIA Deposit. Simultaneously with submitting the executed SGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer request that the SGIA be filed unexecuted at the Commission, Interconnection Customer shall provide (A) to the System Operator demonstration of continued Site Control pursuant to Section 8.1(2) of this SGIP; and (B) to the Interconnecting Transmission Owner, in a form acceptable to the Interconnecting Transmission Owner, the SGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft SGIA minus the total amount of Commercial Readiness Deposit that Interconnection Customer has provided to the System Operator for its Interconnection Request. Interconnecting Transmission Owner shall use SGIA Deposits as (or as a portion of) Interconnection Customer's security required under Article 6.3 of the SGIA. Interconnection Customer may not request to suspend its SGIA under Section 5.16 of the SGIP until Interconnection Customer has provided (A) to the System Operator and (B) to the Interconnecting Transmission Owner. If Interconnection Customer fails to provide (A) and (B) within the thirty (30) Calendar Days allowed for returning the executed SGIA and appendices under Section 11.1 of this SGIP, or within ten (10) Business Days after Interconnection Customer requests that the System Operator and Interconnecting Transmission Owner file the SGIA unexecuted at the Commission as allowed in this Section 11.3 of this SGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this SGIP.

11.3.1.2 Development Milestones. Simultaneously with submitting the executed SGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer requests that the SGIA be filed unexecuted, Interconnection Customer also shall provide to the System Operator reasonable evidence that one or more of the following milestones in the development of the Small Generating Facility, to be elected by Interconnection Customer, has been achieved (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Small Generating Facility; (ii) the execution of a contract for the supply of cooling water to

the Small Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Small Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Small Generating Facility; (v) application for an air, water, or land use permit. At the same time, Interconnection Customer shall commit to a schedule for the payment of upgrades identified in the Interconnection Studies or an E&P Agreement

Within fifteen (15) Business Days after receipt of the final SGIA, an Interconnection Customer with an Interconnection Request studied using the CSIS and CFAC processes where such studies were triggered prior to the effective date of this SGIP that provided the additional CETU Participation Deposit in accordance with Section 4.2.4.4 shall provide to the Interconnecting Transmission Owner, in cash, a potentially non-refundable deposit of twenty (20) percent of the total costs for the Interconnection Facilities and other upgrades, including any CETUs, identified in the CFAC, unless the Interconnecting Transmission Owner's expenditure schedule for the Interconnection Facilities and other upgrades calls for an initial payment of greater than twenty (20) percent of the total upgrade costs, in which case the scheduled initial payment must instead be made within the fifteenth Business Day after receipt of the final SGIA. If Interconnection Customer does not submit this deposit (or make the initial payment) by the fifteenth Business Day after receipt of the final SGIA, the Interconnection Request shall be automatically withdrawn from the interconnection queue without further opportunity to cure, and Interconnection Customer's initial and additional CETU Participation Deposits shall become non-refundable. The non-refundable initial and additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in the cluster at time the facilities proposed in the Interconnection Requests achieve Commercial Operation. If an Interconnection Request is withdrawn after Interconnection Customer's payment of twenty (20) percent of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner, then the payment shall be used to offset the costs of the CETU. Any unspent payments of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner will be refunded to the respective Interconnection Customers that executed the Interconnection Agreement and provided to the Interconnecting Transmission Owner the twenty (20) percent deposit (or initial payment) if all the associated Interconnection Requests are withdrawn from the interconnection queue and the associated Interconnection Agreements are terminated.

11.3.2 Execution and Filing of SGIA. Within fifteen (15) Business Days after receipt of the final SGIA, (i) Interconnection Customer and Interconnecting Transmission Owner shall execute three (3)

originals of the tendered SGIA and return them to the System Operator, who will send an original to Interconnecting Transmission Owner and Interconnection Customer; or (ii) Interconnection Customer shall request in writing that the System Operator and the Interconnecting Transmission Owner jointly file with the Commission an SGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered SGIA (if it does not conform with a Commission-approved standard form of interconnection agreement) or the request to file an unexecuted SGIA, the System Operator and Interconnecting Transmission Owner, in accordance with Section 11.3.3 or Section 11.3.4, as appropriate, shall jointly file the SGIA with the Commission, together with its explanation of any matters as to which the System Operator, Interconnection Customer or Interconnecting Transmission Owner disagree and support for the costs that the Interconnecting Transmission Owner proposes to charge to Interconnection Customer under the SGIA. An unexecuted SGIA should contain terms and conditions deemed appropriate by the System Operator and Interconnecting Transmission Owner for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted SGIA, they may proceed pending Commission action.

With respect to the interconnection of an Interconnection Customer under Schedule 23, the SGIA shall be a three-party agreement among the Interconnecting Transmission Owner, the System Operator and Interconnection Customer. If Interconnecting Transmission Owner, System Operator and Interconnection Customer agree to the terms and conditions of a specific SGIA, or any amendments to such an SGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file the executed SGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act. To the extent the Interconnecting Transmission Owner, System Operator and Interconnection Customer cannot agree to proposed variations from the standard form of SGIA in Appendix 11 or cannot otherwise agree to the terms and conditions of the SGIA for such small generating unit, or any amendments to such an SGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted SGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act and shall identify the areas of disagreement in such filing, provided that, in the event of disagreement on terms and conditions of the SGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of the Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets,

then the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on such terms and conditions.

11.3.3 The Interconnecting Transmission Owner, acting on its own or jointly with the System Operator, may initiate a filing to amend this SGIP and the standard form of SGIA in Appendix 11 under Section 205 of the Federal Power Act and shall include in such filing the views of System Operator, provided that the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on any financial obligations of the Interconnecting Transmission Owner or Interconnection Customer(s), and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final SGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall perform their respective obligations in accordance with the terms of the SGIA, subject to modification by the Commission. Upon submission of an unexecuted SGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall promptly comply with the unexecuted SGIA, subject to modification by the Commission.

SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES.

12.1 Schedule.

Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party shall negotiate in good faith concerning a schedule for the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General. In general, the Initial Synchronization Date of an Interconnection Customer seeking interconnection to the Administered Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer. An Interconnection Customer with an executed or unexecuted, but filed with the Commission, SGIA, in order to maintain its Initial Synchronization Date, may request that the Interconnecting Transmission Owner or appropriate Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such Initial Synchronization Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Administered Transmission System, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party; (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 5 of the SGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party has not refunded to Interconnection Customer. Payment by that entity with a contractual obligation to construct such Network Upgrades shall be due on the date that it would have been due had there been no request for advance construction. The Interconnecting Transmission Owner or appropriate Affected Party shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 5 of the SGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of the Regional System Plan of the System Operator. An Interconnection Customer with an SGIA, in order to maintain its Initial Synchronization Date, may request that Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such Initial Synchronization Date and (ii) would otherwise not be completed,

pursuant to the Regional System Plan, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party any associated expediting costs.

12.2.4 Amended Cluster Study. A Cluster Study Report will be amended to determine the facilities necessary to support the requested Initial Synchronization Date. This amended study report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested Initial Synchronization Date. The SGIA will also be amended to reflect the results of the amended Cluster Study and any changes in obligations, including financial support, of the Parties.

SECTION 13. MISCELLANEOUS.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information treated as confidential under the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by any of the Parties to the others prior to the execution of an SGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by any Party, the other Party(ies) shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving

Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the SGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the SGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

13.1.2 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party(ies). The disclosure by each Party to the other Party(ies) of Confidential Information shall not be deemed a waiver by any Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of the SGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the SGIP, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR. section

388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the SGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules, regulations and Section 13.1.

13.1.9 Subject to the exception in Section 13.1.8 of this SGIP, any information that a Party claims is competitively sensitive, commercial or financial information (“Confidential Information”) shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this SGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s(ies’) Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 The System Operator and Interconnecting Transmission Owner shall, at Interconnection Customer’s election, destroy, in a confidential manner, or return the Confidential Information provided at the time when Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

The System Operator and Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party may use the services of subcontractors as it deems appropriate to perform its obligations under this SGIP. The Party using the services of a subcontractor shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this SGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay System Operator and Interconnecting Transmission Owner the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the System Operator and the Interconnecting Transmission Owner shall charge, and Interconnection Customer shall pay, the actual costs of the Interconnection Studies.

Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customers or offset against the cost of any future Interconnection Studies associated with the applicable Cluster prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this SGIP.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 of this SGIP that the System Operator or Interconnecting Transmission Owner will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 of this SGIP within the applicable timeframe for such

Interconnection Study, then Interconnection Customer may request, which request will not be unreasonably denied, that the System Operator and Interconnecting Transmission Owner utilize a third party consultant reasonably acceptable to the System Operator, Interconnection Customer, Interconnecting Transmission Owner and any appropriate Affected Party or Internal Affected Party, to perform such Interconnection Study under the direction of the System Operator or Interconnecting Transmission Owner as applicable. At other times, System Operator or Interconnecting Transmission Owner may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 13.15 of the SGIA (Subcontractors) and limited to situations where the System Operator or Interconnecting Transmission Owner determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with the System Operator and Interconnecting Transmission Owner's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer, System Operator and Interconnecting Transmission Owner shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. The System Operator and Interconnecting Transmission Owner shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. In any case, such third party contract may be entered into with the System Operator, Interconnection Customer, or Interconnecting Transmission Owner at the System Operator and Interconnecting Transmission Owner's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this SGIP, Article 13.15 of the SGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if the System Operator and Interconnecting Transmission Owner were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes.

The System Operator and Interconnecting Transmission Owner shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with the SGIA, the SGIP, or their performance, such Party (the “Disputing Party”) shall provide the other Party(ies) with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s(ies’) receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, after thirty (30) Calendar Days, then (i) in the case of disputes arising out of or in conjunction with the SGIA, the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted SGIA, or amendment thereto, with the Commission in accordance with Section 11.3.4, or (ii) in the case of disputes arising out of or in connection with any other matter regarding the administration of the SGIP, the System Operator may terminate the Interconnection Request and Interconnection Customer may seek relief pursuant to Section 206 of the Federal Power Act. Each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Schedule 23.

13.5.2 External Arbitration Procedures. Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial

Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons for such decision. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the SGIA and SGIP and shall have no power to modify or change any provision of the SGIA and SGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one-third of any associated arbitration costs; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties and one-third of any associated arbitration costs.

13.5.5 Non-binding Dispute Resolution Procedures. If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 of this SGIP, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that the other Parties engage in Non-binding Dispute Resolution pursuant to this Section 13.5.5 by providing written notice to the other Parties (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section 13.5.5 without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in this Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, System Operator must within thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships

with the Parties. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the SGIP and SGIA and shall have no power to modify or change any provision of the SGIP and SGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration, or in a Federal Power Act Section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Facilities Financed by Local Furnishing Bonds. This provision is applicable only to interconnections associated with facilities financed for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this SGIA and SGIP, the Interconnecting Transmission Owner shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this SGIA and SGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Interconnecting Transmission Owner's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service. If the Interconnecting Transmission Owner determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise Interconnection Customer within thirty (30) Calendar Days of receiving notice of the Interconnection Request. Interconnection Customer thereafter may renew its Interconnection Request using the process specified in the Tariff.

13.7 Engineering & Procurement (“E&P”) Agreement

Prior to executing an SGIA, an Interconnection Customer may request, in order to advance the implementation of its interconnection, and the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party shall offer Interconnection Customer, an E&P Agreement that authorizes the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Interconnecting Transmission Owner or any Affected Party or Internal Affected Party shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the SGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer’s Queue Position or Initial Synchronization Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer, including a deposit of 100 percent of the estimated engineering and study costs, and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or an E&P Agreement is terminated by any Party, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the Interconnecting Transmission Owner or the Affected Party or Internal Affected Party that is a party to an E&P Agreement may elect: (i) to take title to the equipment, in which event the Interconnecting Transmission Owner or relevant Affected Party or Internal Affected Party shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

APPENDICES TO SGIP [TOC TO BE UPDATED]

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY
AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 11 STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

APPENDIX 1
INTERCONNECTION REQUEST

The undersigned Interconnection Customer submits this request to interconnect its Small Generating Facility to the Administered Transmission System under Schedule 23 - Small Generator Interconnection Procedures (“SGIP”) of the ISO New England Inc. Open Access Transmission Tariff (the “Tariff”). Capitalized terms have the meanings specified in the Tariff.

PROJECT INFORMATION

Proposed Project Name: _____

1. This Interconnection Request is for (check one):

- _____ **A proposed new Small Generating Facility**
- _____ An increase in the generating capacity or a modification that has the potential to be a Material Modification of an existing Generating Facility
- _____ Commencement of participation in the wholesale markets by an existing Generating Facility
- _____ A change from Network Resource Interconnection Service to Capacity Network Resource Interconnection Service

2. The types of Interconnection Service requested:

- _____ **Network Resource Interconnection Service (energy capability only)**
- _____ **Capacity Network Resource Interconnection Service (energy capability and capacity capability)**
- ☐ **Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing**

3. Interconnection Customer shall provide the following information:

Address or Location of the Facility (including Town/City, County and State):

Requested Point of Interconnection:

Type of Generating Facility to be Constructed:_____

Will the Generating Facility include electric storage capacity? Yes___No___

Will the electric storage device charge from the Administered Transmission System? Yes ___No ___

If yes, describe the electric storage device and specifications to include aggregate charging capability measured at the POI and the associated aggregate reactive capability measured at the high side of the main transformer:

Primary frequency response operating range for electric storage resources:

Generating Facility Fuel Type:

Generating Facility Capacity (MW):

Temperatures¹	Maximum Gross MW Electrical Output²	Maximum Net MW Electrical Output³	Net MW Capability at the Point of Interconnection⁴
At or above 90 degrees F			
At or above 50 degrees F			
At or above 20 degrees F			
At or above 0 degrees F			

Requested Interconnection Service (in MW) :

Service Level⁵			Requested Net MW Capability at the Point of Interconnection⁴
CNR Capability Summer			
NR Capability Summer			
CNR Capability Winter			
NR Capability Winter			

Notes:

¹ In each row, insert all values corresponding to the given temperature, or a temperature greater than the given temperature, at which aggregate maximum gross output of the Generating Facility would be the highest. For example, if the aggregate maximum gross Generating Facility output occurs at 12 degrees F, all values in the “At or above 0 degrees F” row shall correspond to the 12 degrees F operating condition.

² Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility.

³ Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility less any station service at each generating unit’s terminal(s) or inverter/converter terminal(s), as applicable.

⁴ Measured at Interconnection Customer’s proposed Point of Interconnection. The values correspond to the requested levels of Interconnection Service pursuant to Section 3.1 of the SGIP. The values account for any station service, losses incurred in Interconnection Facilities, station or generator step up

transformers, and any other auxiliary systems. After the Interconnection Request is deemed valid, any increases to these values shall be subject to a new, separate Interconnection Request.

⁵ As described in Section II.48.1 for CNR Capability and Section II.48.2 for NR Capability.

General description of the equipment configuration, including any proposed control technologies to restrict the Small Generating Facility's output to the requested Interconnection Service levels, if applicable (# of units and GSUs):

Requested Commercial Operation Date:

Requested Initial Synchronization Date:

Requested In-Service Date:

Evidence of Site Control (check one):

☐ 100% exclusive Site Control in Interconnection Customer's name is provided herewith.

☐ In lieu of evidence of Site Control,

☐ a \$10,000/MW deposit subject to a minimum of \$50,000 and a maximum of \$200,000 is provided (refundable within the cure period as described in Section 3.4.3 of the SGIP), and.

☐ a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations, and

☐ documentation sufficiently describing and explaining the source and effects of such regulatory limitations

☐ Site Control is not provided because the proposed modification is to Interconnection Customer's existing Small Generating Facility and, by checking this option,

Interconnection Customer certifies that it has Site Control and that the proposed modification does not require additional real property.

The ISO will post the Project Information on the ISO web site under “Interconnection Service” and the Interconnection Request Tracking Tool or IRTT.

CUSTOMER INFORMATION

Company Name: _____

ISO Customer ID#: _____

(Interconnection Customer)

Company Address: **PO Box No.:**

Street Address: _____

City, State ZIP: _____

Company Representative: **Name:** _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ **FAX:** _____ **email:** _____

This Interconnection Request is submitted by:

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

In order for an Interconnection Request to be considered a valid request, it must include:

- (a) Be accompanied by all required deposits provided electronically and may be refundable in accordance with Section 3.4.2 of the SGIP;*
- (b) Required Cluster Study Deposit and may be refundable in accordance with Section 3.4.2 of the SGIP that is provided electronically;*
- (c) Commercial Readiness Deposit and may be refundable in accordance with Section 3.4.2 of the SGIP;*
- (d) For CNR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv). If for NR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv) or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$50,000 and a maximum of \$200,000. An Interconnection Customer does not need to demonstrate Site Control for an Interconnection Request for a modification to its existing Small Generating Facility where Interconnection Customer has certified that it has Site Control and that the proposed modification does not require additional real property). Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;*

- (e) Include a detailed map, such as a map of the quality produced by the U.S. Geological Survey, which clearly indicates the site of the new facility and pertinent surrounding structures.; and*
- (f) Include all information required on the Interconnection Request form and attachments thereto.*

The Interconnection Request and attachments thereto must be submitted to the System Operator via the Interconnection Request Tracking Tool or IRTT, a web-based application for submitting, tracking and viewing Interconnection Requests available on the ISO New England website.

Attachment A to Appendix 1
Interconnection Request
Technical Data Required For Cluster Study

The technical data required below must be inputted directly into IRTT and submitted with the Interconnection Request pursuant to Section 3.4.2 of the SGIP.

SMALL GENERATING FACILITY DATA

UNIT RATINGS

Kva	°F	Voltage
Power Factor		
Speed (RPM)		Connection (e.g. Wye)
Short Circuit Ratio		Frequency, Hertz
Stator Amperes at Rated Kva		Field Volts
Max Turbine MW	°F	

Primary frequency response operating range for electric storage resources:

Minimum State of Charge:

Maximum State of Charge:

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 90 ° OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (°F)	

Attachment A (page 2)

To Appendix 1

Interconnection Request

Technical Data Required For

Cluster Study

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 50° OR ABOVE

Gross Unit Rating (MW)

Gross Lagging (MVAR)

Net Unit Rating (MW)

Gross Leading (MVAR)

Station Service (MW)

Station Service (MVAR)

Temperature (°F)

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 20° OR ABOVE

Gross Unit Rating (MW)

Gross Lagging (MVAR)

Net Unit Rating (MW)

Gross Leading (MVAR)

Station Service (MW)

Station Service (MVAR)

Temperature (°F)

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 0° OR ABOVE

Gross Unit Rating (MW)

Gross Lagging (MVAR)

Net Unit Rating (MW)

Gross Leading (MVAR)

Station Service (MW)

Station Service (MVAR)

Temperature (°F)

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	=	kW sec/kVA
Moment-of-Inertia, WR ²	=	lb. ft. ²

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS	QUADRATURE AXIS
Synchronous – saturated	X _{dv}	X _{qv}
Synchronous – unsaturated	X _{di}	X _{qi}
Transient – saturated	X' _{dv}	X' _{qv}
Transient – unsaturated	X' _{di}	X' _{qi}
Subtransient – saturated	X'' _{dv}	X'' _{qv}
Subtransient – unsaturated	X'' _{di}	X'' _{qi}
Negative Sequence – saturated	X _{2v}	
Negative Sequence – unsaturated	X _{2i}	

FIELD TIME CONSTANT DATA (SEC)

Zero Sequence – saturated	X _{0v}	
Zero Sequence – unsaturated	X _{0i}	
Leakage Reactance	X _{lm}	
Open Circuit	T' _{qo}	T' _{do}
Three-Phase Short Circuit Transient	T' _{d3}	T' _q
Line to Line Short Circuit Transient	T' _{d2}	
Line to Neutral Short Circuit Transient	T' _{d1}	
Short Circuit Subtransient	T'' _d	T'' _q
Open Circuit Subtransient	T'' _{do}	T'' _{qo}

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T _{a3}
Line to Line Short Circuit	T _{a2}
Line to Neutral Short Circuit	T _{a1}

NOTE: If requested information is not applicable, indicate by marking “N/A.”

MW CAPABILITY AND PLANT CONFIGURATION
SMALL GENERATING FACILITY DATA
ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1		
Negative	R2		
Zero	R0		
Rotor Short Time Thermal Capacity I^2t	=		
Field Current at Rated kVA, Armature Voltage and PF	=	amps	
Field Current at Rated kVA and Armature Voltage, 0 PF	=	amps	
Three Phase Armature Winding Capacitance	=	microfarad	
Field Winding Resistance	=	ohms	°C
Armature Winding Resistance (Per Phase)	=	ohms	°C

CURVES

As applicable, provide Saturation, Vee, Capacity Temperature Correction curves. A Reactive Capability is required for all Large Generating Facilities. As applicable, designate normal and emergency Hydrogen Pressure operating range for multiple curves.

MODELS FOR NON-SYNCHRONOUS GENERATORS

Models that meet the requirements of ISO New England Planning Procedures :

1. an appropriately parameterized library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, that corresponds to Interconnection Customer's Small Generating Facility, and,
2. a validated user-defined model where one exists for the equipment (i.e. where the manufacturer attests that a library model may fully capture the behavior of the equipment). The user model will only be used for the fuller understanding of equipment behavior and will not be used to finalize the upgrade requirements in the Cluster Study and will not be added to base cases going forward.
3. A validated electromagnetic transient model

Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection

Customer that the model accurately represents the entire Small Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Small Generating Facility; or test data).

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity	Self-cooled/Maximum Nameplate / Kva
Voltage Ratio	Generator side/System side/Tertiary / kV
Winding Connections	Generator side/System Side/Tertiary (Delta or Wye) /

Fixed Taps Available

Present Tap Setting

IMPEDANCE

Positive	Z1 (on self-cooled kVA rating)	%	X/R
Zero	Z0 (on self-cooled kVA rating)	%	X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (“PSS”) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND AND INVERTER-BASED GENERATORS

A completed Attachment A-1 Supplementary Wind and Inverter-Based Generating Facility Form to this Attachment A, must be supplied for all Interconnection Requests for wind and inverter-based Generating Facilities.

INDUCTION GENERATORS:

(*) Field Volts:

(*) Field Amperes:

(*) Motoring Power (kW):

(*) Neutral Grounding Resistor (If Applicable):

(*) I_2^2t or K (Heating Time Constant):

(*) Rotor Resistance:

(*) Stator Resistance:

(*) Stator Reactance:

(*) Rotor Reactance:

(*) Magnetizing Reactance:

(*) Short Circuit Reactance:

(*) Exciting Current:

(*) Temperature Rise:

(*) Frame Size:

(*) Design Letter:

(*) Reactive Power Required In Vars (No Load):

(*) Reactive Power Required In Vars (Full Load):

(*) Total Rotating Inertia, H: Per Unit on KVA Base

Note: Please consult System Operator prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Attachment A to the Interconnection Request is true and accurate.

For Interconnection Customer:_____Date:_____

Attachment A-1
To Attachment A of Appendix 1
Supplementary Wind
and Inverter-Based
Generating Facility Form

**SUPPLEMENTARY WIND AND INVERTER-BASED GENERATING FACILITY AND
INTERCONNECTION FACILITIES DATA FORM**

- a) Attach a Geographic Map Demonstrating the Project Layout and its Interconnection to the Power Grid. (Specify the name of the attachment here)
- b) Attach a Bus-Breaker Based One-line Diagram (The diagram should include each of the individual unit generators, generator number, HVDC rating and terminal voltage.) (Specify the name of the attachment here)

i. Collection system detail impedance sheet

If a collector system is used, attach a collector system data sheet in accordance with the one-line diagram attached above. The data sheet should include: the type, length Z_0 , Z_1 and X_c/B of each circuit (feeder and collector string).

Specify the name of the attachment here: _____

ii. Collection system aggregate (equivalent) model data sheet

Attach an aggregate (equivalent) collection system data sheet. The data table should include: the type, length, Z_0 , Z_1 and X_c/B of the equivalent circuits (feeders and collector strings).

Specify the name of the attachment here: _____

- c) Summary of the Unit Models in the wind or inverter-based Generating Facility (*List all different unit models in the facility*)

Manufacturer Model	Type of this WTG* (if applicable)	Generator Unit Numbers in the field	Number(s) of these Units	Maximum Output of this Unit (MW)	Total MW

* Type 1 – Cage rotor induction generators

Type 2 – Induction generators with variable rotor resistance

Type 3 – Doubly-fed asynchronous generators with rotor-side converter

Type 4 – Full-power converter interface

Repeat the following sections from 4 to 12 for each different unit model.

d) Unit Detail Information

Unit Manufacturer Model	
Terminal Voltage	
Rating of Each Unit (MVA)	
Maximum Gross Electrical Output (MW)	
Minimum Gross Electrical Output (MW)	
Lagging Reactive Power Limit at Rated Real Power Output (MVAR)	
Leading Reactive Power Limit at Rated Real Power Output (MVAR)	
Lagging Reactive Power Limit at Zero Real Power Output (MVAR)	
Leading Reactive Power Limit at Zero Real Power Output (MVAR)	
Station Service Load (MW, MVAR)	
Minimum short circuit ratio (SCR) requirement by manufacturer	
On which bus the minimum SCR is required by manufacturer	
What voltage level the minimum SCR is required by manufacturer	
Positive sequence Xsource	
Zero sequence Xsource	

e) Unit GSU – _____

Nameplate rating (MVA)	
Total number of the GSUs	
Voltages, generator side/system side	
Winding connections, low voltage/high voltage	
Available tap positions on high voltage side	
Available tap positions on low voltage side	
Will the GSU operate as an LTC?	
Desired voltage control range if LTC	
Tap adjustment time (Tap switching delay + switching time) if LTC	
Desired tap position if applicable	
Impedance, Z1, X/R ratio	
Impedance, Z0, X/R ratio	

f) Low Voltage Ride Through (LVRT) – _____(*Specify the Manufacturer Model of this Unit*)

Does each Unit have LVRT capability?

Yes___ No___

If yes, please provide:

i. Unit LVRT mode activation and release condition:

When operating at maximum real power, what is the Unit terminal voltage for LVRT mode activation? _____

When operating at maximum real power, what is the Unit terminal voltage for releasing LVRT mode after it is activated? _____

If there is different LVRT activation and release logic, please state here _____

- ii. A wind or other inverter-based generating facility technical manual from the manufacturer including description of LVRT functionality:

Attach the file and specify the name of the attachment here:

- iii. Does the wind or other inverter-based generating facility technical manual attached above include a reactive power capability curve?

Yes___ No___

If no, attach the file and specify the name of the attachment here:

- g) Low Voltage Protection (considering LVRT functionality)

(Specify the Manufacturer Model of this Unit)

Low Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

- h) High Voltage Protection - _____(Specify the Manufacturer Model of this Unit)

High Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

- i) Low Frequency Protection - _____(Specify the Manufacturer Model of this Unit)

Low Frequency Setting (Hz)	Relay Pickup Time (Seconds)
----------------------------	-----------------------------

*Add more rows in the table as needed

j) High Frequency Protection - _____(Specify the Manufacturer Model of this Unit

High Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

Please make sure the settings in sections 7 through 10 comply with NERC and NPCC standards for generator protection relays.

k) Unit Reactive Power Control - ____ (Specify the Manufacturer Model of this Unit)

i. What are the options for the Unit reactive power control (check all available)?

- ____Control the voltage at the Unit terminal
- ____Control constant power factor at the Unit terminal
- ____Control constant power factor at the low side of the station main transformer
- ____Control constant power factor at the high side of the station main transformer
- ____Control voltage at the low side of the station main transformer
- ____Control voltage at the high side of the station main transformer
- ____Other options. Please describe if select others_____

ii. In all the control options selected above, please list the options in which the Unit is able to control its terminal voltage to prevent low/high voltage tripping.

- iii. What is the desired control mode from the selected options above? Specify the control plan in this mode. For example: control voltage at which bus to what schedule.

**WIND OR INVERTER-BASED GENERATING FACILITY AND INTERCONNECTION
FACILITIES MODELS**

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

A. Power flow model

- i. A *.RAW file including **aggregated/equivalent** wind or inverter-based generating facility and HVDC, if applicable, power flow model with appropriate parameters and settings.

*Attach the *.RAW file and specify the name of the attachment(s) here:*

- ii. A *.RAW file including **detailed** wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, power flow model with appropriate parameters and settings.

*Attach the *.RAW file and specify the name of the attachment(s) here:*

B. Dynamic simulation model(s)

(Please note that the dynamic model(s) must match the aggregated/equivalent power flow model(s) provided above. Attach the following information for each of the models.)

1. Wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, Model(s)
_____ (Please Specify the Manufacturer Model(s))
2. A compiled PSS/E dynamic model for the Generating Facility and Interconnection Facilities, if necessary (a *.LIB or *.OBJ file)

*Attach the *.LIB or *.OBJ file(s) and specify the name(s) of the attachment(s) here:*

3. A dynamic data file with appropriate parameters and settings for the Generating Facility and Interconnection Facilities, if applicable, (typically a *.DYR file)

Attach the *.DYR file(s) and specify the name(s) of the attachment(s) here:

4. PSS/E wind or inverter-based Generating Facility model user manual for the Generating Facility and Interconnection Facilities

Attach and specify the name of the attachment here:

Repeat the above sections for each different wind or inverter-based generating facility model.

C. Power Plant Controller

For wind or inverter-based Generating Facility, will PPC have the ability to centrally control the output of the units? Yes___ No___

1. Manufacturer model of the power plant controller

2. What are the reactive power control strategy options of the power plant controller?
3. Which of the control options stated above is being used in current operation?

4. Is the power plant controller able to control the unit terminal voltages to prevent low/high voltage tripping?

Yes___ No___

Please provide the park controller technical manual from the manufacturer

Attach the file and specify the name of the attachment here:

D. Station Transformer

Transformer Name		
Nameplate ratings (MVA)		
Total number of the main transformer(s)		
Voltage, High/Low/Tertiary (kV)		
Winding connections, High/Low Tertiary		
Available tap positions on high voltage side		
Available tap positions on low voltage side		
Will the transformer operate as a LTC?		
Desired voltage control range if LTC		
Tap adjustment time (Tap switching delay + switching time) if LTC		
Desired tap position if applicable		
Tap adjustment time (Tap switching delay + switching time)		
Impedance Z_1 , X/R ratio	Z_{1H-L}	X/R
	Z_{1H-T}	X/R
	Z_{1T-L}	X/R
Impedance Z_0 , X/R ratio	Z_{0H-L}	X/R
	Z_{0H-T}	X/R
	Z_{0T-L}	X/R

E. Dynamic Simulation Model for the Power Plant Controller(s)

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

1. A compiled PSS/E dynamic model for the power plant controller(s) (a *.LIB or *.OBJ file)

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

2. A dynamic data file with appropriate parameters and settings for the power plant controller(s) (typically a *.DYR file).

Attach the *.DYZ file and specify the name of the attachment here:

3. PSS/E model user manual for the power plant controller(s)

Attach the manual and specify the name of the attachment or specify the name of the attachment here:_____

F. Capacitors and Reactors

Please provide necessary modeling data for all the capacitors and reactors that are part of the Interconnection Facilities, including: size, basic electrical parameters, connecting bus, switched or fixed, etc.

G. Dynamic Device(s)

(All model files provided under this section 17 should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England standard library models in PSS/E or applicable applications.)

1. Provide necessary modeling data file for all the dynamic devices belong to the facility.

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

2. A dynamic data file containing the parameters for the units (typically a *.DYZ file).

Set the parameters in accordance with the desired control mode.

Attach the *.DYZ file and specify the name of the attachment here:

H. Collection System/Transformer Tap-Setting Design

Attach a collection system/transformer tap-setting design calculations, consistent with the requirements in the ISO New England Planning Procedures, that identify the calculations to support the proposed tap settings for the unit step-up transformers and the station step-up transformers.

Attached the design document and specify the name of the attachment here:

- I. Provide PSCAD Model and documentation for the wind or inverter-based Generating Facility, the Power Plant Controller(s) and Other Dynamic Devices or HVDC.

CLUSTER SYSTEM IMPACT STUDY APPLICATION FORM

The undersigned Interconnection Customer submits this form to request the inclusion of the Interconnection Request for its Small Generating Facility in a Cluster Interconnection System Impact Study pursuant to Section 4.2.3.2.2 of this SGIP.

To be included in a Cluster Interconnection System Impact Study, the following must be submitted together with this form to the System Operator by the Cluster Entry Deadline:

1. Project Information:

a. Project Name: _____

(a) Queue Position: _____

(b) Is the Interconnection Request contractually associated with an Interconnection Request for an Elective Transmission Upgrade? Yes ____ No ____

If yes, identify Queue Position of the associated Interconnection Request and provide evidence of the contractual commitment. Queue Position No.: ____

2. Initial CETU Participation Deposit as specified in Section 4.2.3.2.2

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

For Interconnection Customer: _____ Date: _____

SURPLUS INTERCONNECTION SERVICE REQUEST APPLICATION

The Surplus Interconnection Customer submits this application to request Surplus Interconnection Service pursuant to Section 3.3 of this SGIP.

SURPLUS INTERCONNECTION CUSTOMER AND ORIGINAL INTERCONNECTION CUSTOMER INFORMATION

Surplus Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Attachment C (page 2)
To Appendix 1
Surplus Interconnection Service
Request Application

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ E-mail: _____

Original Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Attachment C (page 3)
To Appendix 1
Surplus Interconnection Service
Request Application

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ email: _____

PROJECT INFORMATION

Description of the Original Interconnection Customer's existing, commercial Small Generating Facility:

Description of the Surplus Interconnection Customer's Generating Facility:

Select Type of Interconnection Service for the Surplus Interconnection Customer's Generating Facility:

☐ CNR Interconnection Service

☐ NR Interconnection Service

Specify the amount of Unused Capability at the corresponding CNR Interconnection Service or NR Interconnection Service available for the Surplus Interconnection Customer's Generating Facility:

Attachment C (page 4)
To Appendix 1
Surplus Interconnection Service
Request Application

Requested Commercial Operations Date for the Surplus Interconnection Customer's Generating Facility:

Requested Initial Synchronization Date for the Surplus Interconnection Customer's Generating Facility:

Requested In-Service Date for the Surplus Interconnection Customer's Generating Facility:

To request Surplus Interconnection Service, the Surplus Interconnection Customer shall provide the following, together with this Surplus Interconnection Service Request Application:

- 11** The Original Interconnection Customer's written consent for the Surplus Interconnection Customer's Generating Facility to use Unused Capability associated with Interconnection Service established under the Interconnection Agreement for the Original Interconnection Customer's Generating Facility, together with a copy of that Interconnection Agreement;
- 12** A detailed description of the Original Interconnection Customer's Generating Facility and the Surplus Interconnection Customer's Generating Facility and their respective Interconnection Facilities and existing Point of Interconnection and Point of Change of Ownership, together with a completed Attachment A and Attachment A-1, as applicable, to Appendix 1 of this SGIP, including a site electrical one-line diagram reflecting both the Original Interconnection Customer's Generating Facility and the proposed Surplus Interconnection Customer's Generating Facility and a plot plan; and
- 13** Site Control for the Surplus Interconnection Customer's Generating Facility.

Attachment C (page 5)
To Appendix 1
Surplus Interconnection Service
Request Application

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Original Interconnection Customer or the Surplus Interconnection Customer as may reasonably become necessary to facilitate their review of the Surplus Interconnection Service request.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature: _____

Name (type or print): _____

Title: _____

Date: _____

APPENDIX 2
CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility to the Administered Transmission System;

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform a Cluster Study to assess the impact of interconnecting the Small Generating Facility to the Administered Transmission System, and any Internal Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection Procedure (“SGIP”).
- 2.0 Interconnection Customer elects and System Operator and Interconnecting Transmission Owner shall cause to be performed a Cluster Study consistent with Section 7.0 of the SGIP in accordance with the Tariff.
- 3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Cluster Study will be based upon the technical information provided by Interconnection Customer in Attachment A (and Attachment A-1 as applicable) to the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the SGIP. System Operator and Interconnecting Transmission Owner reserve the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.
- 5.0 The Cluster Study Report shall provide the following information:
- identification of any circuit breaker or other facility short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload of any transmission facility or system voltage limit violations resulting from the interconnection;
 - initial review of grounding requirements and electric system protection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - identification of Contingent Facilities
 - description and non-binding, good faith estimated cost of and the time to construct the facilities required to interconnect the Small Generating Facility to the Administered Transmission System and to address the identified short circuit, instability, and power flow issues; and

- The Cluster Study Deposit shall be applied toward the cost of the Cluster Study and the development of this Cluster Study Agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner's and System Operator's good faith estimate for the times of commencement and completion of the Cluster Study is [insert dates].

Any difference between the deposit and the actual cost of the Cluster Study shall be paid by or refunded to Interconnection Customer, as appropriate.

The total estimated cost of the performance of the Interconnection System Impact Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____.

Upon receipt of the Cluster Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection System Impact Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the SGIP, in performing the Interconnection System Impact Study, System Operator and Interconnecting Transmission Owner shall coordinate with Internal Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

7.0 Miscellaneous.

- 7.1 Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.
- 7.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection System Impact Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection System Impact Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection System Impact Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection System Impact Study, the content of the Interconnection System Impact Study, or the conclusions of the Interconnection System Impact Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 7.3 Force Majeure, Liability and Indemnification.
- 7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement

is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, an Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Interconnection System Impact Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection System Impact Study is completed. This

Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision,

rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A
To Appendix 2
Cluster
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
CLUSTER STUDY

The Cluster Study will be based upon the *technical information provided by Interconnection Customer in the Interconnection Request* subject to any modifications in accordance with Section 4.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

APPENDIX 3
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated ; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator and Interconnecting Transmission Owner have completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Small Generator Interconnection Procedures (“SGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).
- 2.0 Interconnection Customer elects and System Operator shall cause an Interconnection Facilities Study consistent with Section 8.0 of the SGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Small Generating Facility to the Administered Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 The Interconnection Customer is providing a *Commercial Readiness Deposit per Section 8.1 of this SGIP to enter* the Interconnection Facilities Study and the greater of 25 percent of the estimated cost of the Interconnection Facilities Study or \$100,000.

The deposit shall be applied toward the cost of the Interconnection Facilities Study and the development of this Interconnection Facilities Study Agreement and its attachment(s) and the SGIA. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

The total estimated cost of the performance of the Interconnection Facilities Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____. Any difference between the deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Interconnection Facilities Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice. In accordance with the SGIP, in performing the Interconnection Facilities Study, Interconnecting Transmission Owner and System Operator shall coordinate with Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility

Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in

performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by

Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 6.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed

severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

- 6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A
To Appendix 3
Interconnection Facilities
Study Agreement

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE
INTERCONNECTION FACILITIES STUDY**

Interconnection Customer elects (check one):

- b. +/- 20 percent cost estimate contained in the Interconnection Facilities Study report.

- c. +/- 10 percent cost estimate contained in the Interconnection Facilities Study report.

Interconnecting Transmission Owner and System Operator shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B (page 1)
Appendix 3
Interconnection Facilities
Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing New England Transmission System station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on Current Transformer/Power Transformer (“CT/PT”))

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on one line).

What type of control system or Power Line Carrier (“PLC”) will be located at the Interconnection Customer’s Small Generating Facility?

What protocol does the control system or PLC use?

Attachment B (page 2)
Appendix 3
Interconnection Facilities
Study Agreement

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Interconnecting Transmission Owner's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with System Operator and Interconnecting Transmission Owner.

Is the Small Generating Facility in Interconnecting Transmission Owner's service area?

Yes _____ No _____ Local provider:

Please provide proposed schedule dates:

Begin Construction Date:

Generator step-up transformer Date:

Receives back feed power Date

Generation Testing Date:

Commercial Operation Date:

APPENDIX 4
OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer,”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection to the Administered Transmission System; and

WHEREAS, Interconnection Customer has submitted to System Operator an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that the System Operator and Interconnecting Transmission Owner prepare an Optional Interconnection Study.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Small Generator Interconnection Procedures (“SGIP”), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”).
- 2.0 Interconnection Customer elects and System Operator shall cause an Optional Interconnection Study consistent with Section 10.0 of the SGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Interconnecting Transmission Owner’s Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.

In accordance with the SGIP, in performing the Optional Interconnection Study, the System Operator shall coordinate with Interconnecting Transmission Owner and Affected Parties and Internal Affected Parties, and shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

- 6.0 The Interconnection Customer is providing a deposit equal to 100 percent of the estimated cost of the study. Interconnecting Transmission Owner’s and System

Operator's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

The total estimated cost of the performance of the Optional Interconnection Study consists of \$_____ which is comprised of the System Operator's estimated cost of \$_____ and the Interconnecting Transmission Owner's estimated cost of \$_____.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Optional Interconnection Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Optional Interconnection Study. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Optional Interconnection Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Optional Interconnection Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Optional Interconnection Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or

profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Optional Interconnection Study, the content of the Optional Interconnection Study, or the conclusions of the Optional Interconnection Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission

Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

- 7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owners under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the

indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Optional Interconnection Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Optional Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located, without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator

By:

Title:

Date:

Interconnecting Transmission Owner

By:

Title:

Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A

Appendix 4

Optional Interconnection

Study Agreement

**ASSUMPTIONS USED IN CONDUCTING
THE OPTIONAL INTERCONNECTION STUDY**

[To be completed by Interconnection Customer consistent with Section 10 of the SGIP.]

APPENDIX 5 to SGIP
TRANSITIONAL CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”), and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). System Operator, Interconnection Customer and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested Interconnecting Transmission Owner and System Operator to perform a “Transitional Cluster Study,” which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of the {Transmission Provider to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

2.0 Interconnection Customer elects, and System Operator shall cause to be performed, a Transitional Cluster Study and Interconnection Customer elects that System Operator study the Small Generating Facility's request for.

_____ Network Resource Interconnection Service (energy capability only)

_____ Capacity Network Resource Interconnection Service (energy capability and capacity capability)

- ☐ Interconnection Customers seeking to complete studies for CNRIS for Interconnection Requests for which NRIS milestones have already been completed shall check this box and fill in the table below

Service Level	Requested Net MW Capability at the Point of Interconnection
CNR Capability Summer	
CNR Capability Winter	

- ☐ Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing

3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. System Operator reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this SGIP, the interim Transitional Cluster Study Report shall provide the information below:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

5.0 Pursuant to Section 5.1.1.2 of this SGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.

6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this SGIP.

7.0 Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Interconnection Customer shall provide additional study deposits in the form described in Section 5.1.1.2. System Operator may invoice for additional costs as appropriate such that Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this SGIP.

8.0 Miscellaneous.

- 8.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.
- 8.2 Disclaimer of Warranty. In preparing and/or participating in the Transitional Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Transitional Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Transitional Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Transitional Cluster Study , the content of the Transitional Cluster Study , or the conclusions of the Transitional Cluster Study . Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 8.3 Force Majeure, Liability and Indemnification.
- 8.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the

System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

8.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

8.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

8.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Transitional Cluster Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

8.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Transitional Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the

Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 8.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 8.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 8.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 8.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 8.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 8.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 8.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

8.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: ____

Title: __

Date: __

{Insert name of Interconnecting Transmission Owner }

By: ____

Title: __

Date: __

{Insert name of Interconnection Customer}

By: ____

Title: __

Date: __

APPENDIX 6 to SGIP

TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of ___, 20___, by and between _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”) and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware (“System Operator”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnecting Transmission Owner”). Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final Cluster Study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator has provided an Interconnection Facilities Study Agreement to the Interconnection Customer on or before {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.
- 2.0 Interconnection Customer elects and Interconnecting Transmission Owner shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this SGIP.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by the Interconnection Customer.
- 4.0 The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Small Generating Facility to the Administered Transmission System; and (2) address the short circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.
- 5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this SGIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than 150 Calendar Days after {System Operator to insert effective date accepted on compliance}.
- 6.0 Interconnection Customer previously provided a deposit of _____ dollars (\$____) for the performance of the Interconnection Facilities Study.
- 7.0 Upon receipt of the Interconnection Facilities Study results, Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.
- 8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

9.0 Miscellaneous.

9.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

9.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

9.3 Force Majeure, Liability and Indemnification.

9.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is

hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 9.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

9.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

9.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

9.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to

the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 9.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 9.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 9.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 9.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 9.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 9.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 9.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 9.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Interconnecting Transmission Owner }

By: ____

Title: _

Date: _

ISO New England Inc.

By: ____

Title: _

Date: _

{Insert name of Interconnection Customer}

By: ____

Title: _

Date: _

Attachment A to Appendix 6
Transitional Serial Interconnection Facilities Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL
INTERCONNECTION FACILITIES STUDY**

{ Assumptions to be completed by Interconnection Customer and Interconnecting Transmission Owner }

APPENDIX 7 to SGIP
TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customer and System Operatoreach may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.
- 2.0 System Operator shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this SGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, System Operator shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

- 7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.
- 7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 7.3 Force Majeure, Liability and Indemnification.
- 7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the

System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

- 7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.
- 7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents

from any and all damages, losses, claims and liabilities (“Losses”) by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

- 7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.
- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.
- 7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. _____

Attachment A to Appendix 7
Two-Party Affected System Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:

{ Assumptions to be completed by Affected System Interconnection Customer and System Operator }

APPENDIX 8 to SGIP
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}’s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

- 2.0 System Operator shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this SGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.
- 6.0 Affected System Interconnection Customers shall each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the

Affected System Study by the Affected System Interconnection Customers, System Operator shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 Miscellaneous

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

- 7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.
- 7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any

incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

- 7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.
- 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.
- 7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.
- 7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.
- 7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
- 7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each

and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

Attachment A to Appendix 8
Multiparty Affected System Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:

{ Assumptions to be completed by Affected System Interconnection Customers and System Operator }

APPENDIX 9 TO SGIP
TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this SGIP.

ARTICLE 2

TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the Parties agree to mutually terminate this Agreement; (2) earlier termination is permitted or provided for under Appendix A of this Agreement; or (2) Affected System Interconnection Customer terminates this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by System Operator and Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if Affected System

Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Interconnecting Transmission Owner for any such damages, including costs and expenses, incurred by Interconnecting Transmission Owner as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Interconnecting Transmission Owner, Affected System Interconnection Customer shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of

Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Interconnecting Transmission Owner written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System

Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Interconnecting Transmission Owner of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify Affected System Interconnection Customer. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or

delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject

to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that

Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or which Interconnecting Transmission Owner may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Affected System Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the “Cure Period”) which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties’ obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, Interconnecting Transmission

Owner shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8

CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party,

who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential

Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated

as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties

shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party

represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the

extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Attachment A to Appendix 9

Two-Party Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 9

Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Interconnecting Transmission Owner} and {Affected System Interconnection Customer}, dated _____, 20____.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Interconnecting Transmission Owner Representative}

Attachment C to Appendix 9

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement among Affected System Interconnection Customer and Interconnecting Transmission Owner.

Exhibit A1
Interconnecting Transmission Owner Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Interconnecting Transmission Owner	Estimate in Dollars
		Total:	

APPENDIX 10 TO SGIP
MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, an entity organized under the laws of the State of _____ (Interconnecting Transmission). Affected System Interconnection Customers and Interconnecting Transmission Owner each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host Interconnecting Transmission Owner}, dated _____, for which {name of host Interconnecting Transmission Owner} found impacts on New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host Interconnecting Transmission Owner}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this SGIP.

ARTICLE 2

TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Interconnecting Transmission Owner of the amount funded by Affected System Interconnection Customers for Interconnecting Transmission Owner's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and

Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host Interconnecting Transmission Owner} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Interconnecting Transmission Owner within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Interconnecting Transmission Owner for any such damages, including costs and expenses incurred by Interconnecting Transmission Owner as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Interconnecting Transmission Owner shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Interconnecting Transmission Owner to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Interconnecting Transmission Owner, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of

persons and property and the integrity and safe and reliable operation of New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Affected System Interconnection Customers shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Interconnecting Transmission Owner written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the

event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and

construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify all other Parties. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of the Interconnecting Transmission Owner's pro forma SGIA, each Affected System Interconnection Customer shall be entitled to a cash repayment by Interconnecting Transmission Owner of the amount each Affected System Interconnection Customer paid to Interconnecting Transmission Owner, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at

18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or

adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or to which Interconnecting Transmission Owner may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet each Affected System Interconnection Customer's

estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which such Affected System Interconnection Customer(s) may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented

reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4

SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by

an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent

escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5

BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.2.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the “Cure Period”) which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Interconnecting Transmission Owner. Interconnecting Transmission Owner may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Interconnecting Transmission Owner must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties’ obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its

entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, each Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for its share of any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network

Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, Interconnecting Transmission Owner shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7

SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an

investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11

MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Affected System Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by

Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in

respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Project No. _____

Attachment A to Appendix 10
Multiparty Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE
-----------------------------	--------------------	-------------

* Affected System Interconnection Customers’ proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ____._%

Affected System Interconnection Customer 2 ____._%

Affected System Interconnection Customer N ____._%

Note: Affected System Interconnection Customers’ payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 10

Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among { Interconnecting Transmission Owner } and {Affected System Interconnection Customers}, dated _____, 20____.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{ Interconnecting Transmission Owner Representative }

Attachment C to Appendix 10

Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among
Affected System Interconnection Customers and Interconnecting Transmission Owner.

Exhibit A1
Transmission Provider Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
		Total:	

APPENDIX 11

STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

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Attachment 2 – Description and Costs of the Small Generating Facility, Interconnection Facilities, and
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Attachment 3 – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities,
Metering Equipment, and Upgrades

Attachment 4 – Milestones

Attachment 5 – Additional Operating Requirements for the New England Transmission System and
Affected Systems Needed to Support the Interconnection Customer's Needs

Attachment 6 – Interconnecting Transmission Owner's Description of its Upgrades and Best Estimate of
Upgrade Costs

Attachment 7 – Commercial Operation Date

THIS STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT ("Agreement")

is made and entered into this _____ day of _____, 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Small Generating Facility), ISO New England Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnecting Transmission Owner"). Under this Agreement the Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a "Party" or collectively as the "Parties."

In consideration of the mutual covenants set forth herein, the Parties agree as follows

Article 1. Scope and Limitations of Agreement

1.1 Applicability:

This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP).

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Interconnecting Transmission Owner's facilities that are part of the Administered Transmission System.

1.3 No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Party.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Parties.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Interconnecting Transmission Owner shall construct, operate, and maintain its transmission facilities and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Interconnecting Transmission

Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the New England Transmission System [or Interconnecting Transmission Owner's transmission facilities], personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

- 1.5.6 The System Operator, with input from the Interconnecting Transmission Owner, shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Interconnecting Transmission Owner's automatic load-shed program. The System Operator and Interconnecting Transmission Owner shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems

during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The term “voltage ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by Reliability Standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

1.6 Parallel Operation Obligations; Limited Operation; Provisional Interconnection Service

1.6.1 Parallel Operation Obligations. Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to the ISO New England Operating Documents, and the Operating Requirements set forth in Attachment 5 of this Agreement.

1.6.2 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Small Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Small Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this SGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

1.6.3 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, System Operator and the Interconnecting Transmission Owner may execute a Provisional Small Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Small Generator Interconnection Agreement with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies. System Operator and Interconnecting Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Small Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Small Generating Facility are in place prior to the commencement of Interconnection Service from the Small Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Small Generating Facility are not currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Small Generating Facility in the Provisional Small Generator Interconnection Agreement shall be studied and updated each time the

conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's Queue Position and associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Small Generator Interconnection Agreement and the Small Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

1.7 Metering

The Interconnection Customer shall be responsible for the Interconnecting Transmission Owner's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachment 2 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements. Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Commission, state, or local regulatory requirements and with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection with dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, unless the System Operator or Interconnecting Transmission Owner has established different requirements that apply to all similarly situated synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4, to the LGIA) generators on a comparable basis and in accordance with Operating Requirements.

1.8.1.2 Non-Synchronous Generation. Generating Facilities shall be subject to the power factor design criteria specified in Appendix G to the LGIA. Wind and inverter-based Generating Facilities shall be subject to the Low Voltage Ride-Through Capability requirements specified in Appendix G to the LGIA.

1.8.2 Interconnection Customers shall be compensated for reactive power service in accordance with Schedule 2 of Section II of the Tariff.

1.8.3 Primary Frequency Response

Interconnection Customer with an Interconnection System Impact Study that commenced before May 15, 2018 is obligated to provide and maintain a functioning governor on all generating units comprising the Small Generating Facility in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnection Customer with an Interconnection System Impact Study that commenced on or after May 15, 2018 shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be

implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Articles 1.8.3.1 and 1.8.3.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting Transmission Owner upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and

(3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the New England Transmission System.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 1.8.3, 1.8.3.1, and 1.8.3.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 1.8.3, but shall be

otherwise exempt from the operating requirements in Articles 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.4 of this Agreement.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting a Small Generating Facility that contains an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 1.8.3, 1.8.3.1, 1.8.3.2 and 1.8.3.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 1.8.3.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop

parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement. Capitalized terms in Schedule 23 that are not defined in the Glossary of Terms shall have the meanings specified in Sections I.2.2. of the Tariff.

1.10 Scope of Service

1. 10.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

_____ NR for NR Interconnection Service (NR Capability Only)

_____ CNR for CNR Interconnection Service (NR Capability and CNR Capability)

1.10.1.1 Capacity Network Resource Interconnection Service (CNR Interconnection Service)

(a) The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and the Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which all other CNRs are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows the Interconnection Customer's Small Generating Facility to be designated as a CNR to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the net CNR Capability, or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as all other existing Capacity Network Resources, and to be studied as a

Capacity Network Resource on the assumption that such a designation will occur.

1.10.1.2 Network Resource Interconnection Service (NR Interconnection Service).

- (a) The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which all other Network Resources are interconnected under the NC Interconnection Standard.

NR Interconnection Service allows the Interconnection Customer's Small Generating Facility to participate in the New England Markets, in accordance with Market Rule, Section III of the Tariff, up to the gross and net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff. Notwithstanding the above, the portion of a Small Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, except pursuant to a new Interconnection Request for CNR Interconnection Service.

1.10.1.3 Provision of Service. System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Small Generating Facility at the Point of Interconnection.

1.10.1.4 Performance Standards. Each Party shall perform all of its obligations under this SGIA in accordance with Applicable Laws and Regulations, the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such requirements and standards, such Party shall not be deemed to be in Breach of this SGIA for its compliance therewith. If such Party is the Interconnecting

Transmission Owner, then that Party shall amend the SGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.

- 1.10.1.5 No Transmission Service Delivery. The execution of this SGIA does not constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service, or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 1.10.1.6 Transmission Delivery Service Implications. CNR Interconnection Service and NR Interconnection Service allow the Interconnection Customer's Small Generating Facility to be designated by any Network Customer under the Tariff on the New England Transmission System as a Capacity Network Resource or Network Resource, up to the net CNR Capability or NR Capability, respectively, on the same basis as all other existing Capacity Network Resources and Network Resources interconnected to the New England Transmission System, and to be studied as a Capacity Network Resource or a Network Resource on the assumption that such a designation will occur. Although CNR Interconnection Service and NR Interconnection Service do not convey a reservation of transmission service, any Network Customer can utilize its network service under the Tariff to obtain delivery of capability from the Interconnection Customer's Small Generating Facility in the same manner as it accesses Capacity Network Resources and Network Resources. A Small Generating Facility receiving CNR Interconnection Service or NR Interconnection Service may also be used to provide Ancillary Services, in accordance with the Tariff and Market Rule 1, after technical studies and/or periodic analyses are performed with respect to the Small Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing

Capacity Network Resource or Network Resource. However, if an Interconnection Customer's Small Generating Facility has not been designated as a Capacity Network Resource or as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all Generating Facilities that are similarly situated.

CNR Network Interconnection Service and NR Interconnection Service do not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Small Generating Facility to any particular load on the New England Transmission System without incurring congestion costs. In the event of transmission constraints on the New England Transmission System, the Interconnection Customer's Small Generating Facility shall be subject to the applicable congestion management procedures for the New England Transmission System in the same manner as other Capacity Network Resources or Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Small Generating Facility be designated as a Capacity Network Resource or as a Network Resource by a Network Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Small Generating Facility as either a Capacity Network Resource or a Network Resource, it must do so pursuant to the Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining CNR Interconnection Service or NR Interconnection Service, as long as the Small Generating Facility has not been deemed to be retired, any future transmission service request for delivery from the Small Generating Facility on the New England Transmission System of any amount of capacity capability and/or energy capability will not require that any additional studies be performed or that any further upgrades associated with such Small

Generating Facility be undertaken, regardless of whether or not such Small Generating Facility is ever designated by a Network Customer as a Capacity Network Resource or Network Resource and regardless of changes in ownership of the Small Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long-term transmission service for deliveries from the Small Generating Facility outside the New England Transmission System, or if the unit has been deemed to be retired, such request may require additional studies and upgrades in order for Interconnecting Transmission Owner to grant such request.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

- 2.1.1. The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the System Operator and the Interconnecting Transmission Owner of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Interconnecting Transmission Owner may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Interconnecting Transmission Owner a written test report when such testing and inspection is completed.
- 2.1.2. The Interconnecting Transmission Owner shall provide the Interconnection Customer and the System Operator written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Interconnecting Transmission Owner of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.1.3 Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The System Operator and the Interconnecting Transmission Owner must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Interconnecting Transmission Owner [and System Operator] shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Interconnecting Transmission Owner shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Interconnecting Transmission Owner shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the New England Transmission System [or Interconnecting Transmission Owner's transmission facilities] without prior written authorization of the Interconnecting Transmission Owner. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Interconnecting Transmission Owner may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Interconnecting Transmission Owner at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Interconnecting Transmission Owner shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by the Commission (if applicable), or if filed unexecuted, upon the date specified by the Commission. System Operator and Interconnecting Transmission Owner shall promptly file this Agreement with the Commission upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and by mutual agreement of the Parties shall remain in effect for a period of ____ years, (Term to be specified in individual Agreements, but in no case should the term be less than ten years from the Effective Date or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with the Commission of a

notice of termination of this Agreement (if required), which notice has been accepted for filing by the Commission.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the System Operator and Interconnecting Transmission Owner 20 Business Days written notice.

3.3.2 Each Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Interconnecting Transmission Owner's Interconnection Facilities. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, the Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England

Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. The System Operator and the Interconnecting Transmission Owner may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility in accordance with applicable provisions of the Operating Requirements. The System Operator and Interconnecting Transmission Owner shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the New England Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

3.4.2.1 Outage Authority and Coordination. The System Operator shall have the authority to coordinate facility outages in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Each Party may in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, in coordination with the other Party(ies), remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's(ies') facilities as necessary to perform maintenance or testing or to install or replace equipment, subject to the oversight of System Operator in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

3.4.2.2 Outage Schedules. Outage scheduling, and any related compensation, shall be in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

3.4.2.3 Interruption of Service. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, the System Operator or Interconnecting Transmission Owner may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect System Operator's or Interconnecting Transmission Owner's ability to perform such activities as are necessary to safely and reliably operate and maintain the New England Transmission System.

3.4.3 Forced Outages

During any forced outage, the Interconnecting Transmission Owner [and the System Operator] may suspend interconnection service to effect immediate repairs on the New England Transmission System. The Interconnecting Transmission Owner shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Interconnecting Transmission Owner shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Interconnecting Transmission Owner shall notify the Interconnection Customer and the System Operator as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the New England Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a

reasonable time, the Interconnecting Transmission Owner may disconnect the Small Generating Facility. The Interconnecting Transmission Owner shall provide the Interconnection Customer and the System Operator with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from: (1) the Interconnecting Transmission Owner before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Interconnecting Transmission Owner's Interconnection Facilities; and (2) the System Operator before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the New England Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the System Operator's or the Interconnecting Transmission Owner's, as appropriate, prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the New England Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Interconnecting Transmission Owner shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs

associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Interconnecting Transmission Owner.

- 4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Interconnecting Transmission Owner's Interconnection Facilities.

4.2 Distribution Upgrades

The Interconnecting Transmission Owner shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Interconnecting Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer. The Interconnection Customer shall be responsible for its share of all reasonable expenses, associated with operating, maintaining, repairing, and replacing such Distribution Upgrades, except to the extent that a retail tariff of, or an agreement with, the Interconnecting Transmission Owner or its distribution company affiliate, if appropriate, provides otherwise.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades, including Stand Alone Network Upgrades.

5.2 Network Upgrades

The Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Interconnecting Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Interconnecting Transmission Owner elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Interconnection Customer.

5.2.1.1 Cost Allocation. Cost allocation of Generator Interconnection Related Upgrades shall be in accordance with Schedule 11 of Section II of the Tariff.

5.2.1.2 Compensation. Any compensation due to the Interconnection Customer for increases in transfer capability to the PTF resulting from its Generator Interconnection Related Upgrade shall be determined in accordance with Sections II and III of the Tariff.

5.3 Special Provisions for Affected Systems

The Interconnection Customer shall enter into separate related facilities agreements to address any upgrades to the Affected System(s) or Internal Affected Systems that are necessary for safe and reliable interconnection of the Interconnection Customer's Small Generating Facility.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Interconnecting Transmission Owner shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Interconnecting Transmission Owner's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Interconnecting Transmission Owner for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Interconnecting Transmission Owner shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Interconnecting Transmission Owner within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Interconnecting Transmission Owner shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party(ies) of the reason(s) for

not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Interconnecting Transmission Owner's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Interconnecting Transmission Owner's Interconnection Facilities and Upgrades. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Interconnecting Transmission Owner, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

1.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Interconnecting Transmission Owner and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

Notwithstanding any other provision of this Agreement, the liability, indemnification and insurance provisions of the Transmission Operating Agreement ("TOA") or other applicable operating agreements

shall apply to the relationship between the System Operator and the Interconnection Transmission Owner and the liability, indemnification and insurance provisions of the Tariff apply to the relationship between the System Operator and the Interconnection Customer and between the Interconnecting Transmission Owner and the Interconnection Customer.

7.1 Assignment

This Agreement may be assigned by a Party upon 15 Business Days prior written notice and opportunity to object by the other Parties; provided that:

- 7.1.1 The Parties may assign this Agreement without the consent of the other Parties to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the other Parties of any such assignment.
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Interconnecting Transmission Owner or the System Operator, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Interconnecting Transmission Owner and the System Operator of any such assignment.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party(ies) for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its

performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall a Party be liable to another Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's(ies') action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification

shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, in no event shall a Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."
- 7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event shall promptly notify the other Party(ies), either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Party affected is taking to mitigate the effects of the event on its performance. The Party affected shall keep the other Party(ies) informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Party affected will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be

mitigated by the use of Reasonable Efforts. The Party affected will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party(ies). Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance Requirements

8.1 General Liability

The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the

interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Interconnecting Transmission Owner, except that the Interconnection Customer shall show proof of insurance to the Interconnecting Transmission Owner no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2 Insurer Requirements and Endorsements

All required insurance shall be carried by reputable insurers qualified to underwrite insurance in the state where the interconnection is located having a Best Rating of “A-”. In addition, all insurance shall, (a) include Interconnecting Transmission Owner and System Operator as additional insureds; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Interconnecting Transmission Owner and System Operator shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days’ written notice to Interconnecting Transmission Owner and System Operator prior to cancellation, termination, or material change of such insurance; provided that to the extent the Interconnection Customer is satisfying the requirements of subpart (d) of this paragraph by means of a presently existing insurance policy, the Interconnection Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Interconnecting Transmission Owner and System Operator as required above.

If the requirement of clause (a) in the paragraph above prevents Interconnection Customer from obtaining the insurance required without added cost or due to written refusal by the insurance carrier, then upon Interconnection Customer’s written notice to Interconnecting Transmission Owner and System Operator, the requirements of clause (a) shall be waived.

8.3 Evidence of Insurance

Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnection Customer.

The Interconnection Customer is responsible for providing the Interconnecting Transmission Owner and the System Operator with evidence of insurance in compliance with this Tariff on an annual basis.

Prior to the Interconnecting Transmission Owner commencing work on Interconnection Facilities, Network Upgrades and Distribution Upgrades, the Interconnection Customer shall have its insurer furnish to the Interconnecting Transmission Owner and the System Operator certificates of insurance evidencing the insurance coverage required above. The Interconnection Customer shall notify and send to the Interconnecting Transmission Owner and the System Operator a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Transmission Owner and the System Operator may at their discretion require the Interconnection Customer to maintain tail coverage for three years on all policies written on a "claims-made" basis.

8.4 Self Insurance

If Interconnection Customer is a company with a self-insurance program established in accordance with commercially acceptable risk management practices, Interconnection Customer may comply with the following in lieu of the above requirements as reasonably approved by the Interconnecting Transmission Owner and the System Operator:

- Interconnection Customer shall provide to Interconnecting Transmission Owner and System Operator, at least thirty (30) calendar days prior to the Date of Initial Operation, evidence of such program to self-insure to a level of coverage equivalent to that required.
- If Interconnection Customer ceases to self-insure to the standards required hereunder, or if Interconnection Customer is unable to provide continuing evidence of Interconnection Customer's financial ability to self-insure, Interconnection Customer agrees to promptly obtain the coverage required under Article 8.1.

8.5 Interconnecting Transmission Owner Insurance

The Interconnecting Transmission Owner agrees to maintain general liability insurance or self-insurance consistent with the Interconnecting Transmission Owner's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Interconnecting Transmission Owner's liabilities undertaken pursuant to this Agreement.

Article 9. Confidentiality

9.1 Confidential Information shall include without limitation, all information governed by the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, and any confidential and/or proprietary information provided by a Party to the another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party(ies) and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party(ies) as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or

proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if the Commission, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the Commission, within the time provided for in the request for information. In providing the information to the Commission, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by the Commission and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this Agreement prior to the release of the Confidential Information to the Commission. The Party shall notify the other Party(ies) to this Agreement when it is notified by the Commission that a request to release Confidential Information has been received by the Commission, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1 Submission.** In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the “disputing Party”) shall provide the other Party(ies) with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s(ies’) receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this SGIA.

10.2 External Arbitration Procedures. Any arbitration initiated under this SGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 10, the terms of this Article 10 shall prevail

10.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this SGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

10.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with Commission policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's(ies') tax status. Nothing in this Agreement is intended to adversely affect the Interconnecting Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.1 Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Interconnecting Transmission Owner. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, this Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, there are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter

into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Commission expects the System Operator, Interconnecting Transmission Owners, market participants, and Interconnection Customers interconnected to the New England Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party(ies), first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party(ies). The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly

furnish to the other Party(ies) copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party(ies) for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party(ies) for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Interconnecting Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

Consistent with Section 4.8 of Schedule 23, the Interconnecting Transmission Owner and the System Operator shall have the right to make a unilateral filing with the Commission to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this Agreement under any applicable provision of the Federal Power Act and the Commission's rules and regulations;

provided that each Party shall have the right to protest any such filing by the other Party(ies) and to participate fully in any proceeding before the Commission in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of the Commission under sections 205 or 206 of the Federal Power Act and the Commission's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

[To be supplied]

If to the Interconnecting Transmission Owner:

[To be supplied]

If to the System Operator:

ISO New England Inc.

Attention: Generation Interconnection, Transmission Planning Department

One Sullivan Road

Holyoke, MA 01040-2841

Phone: _____ Fax: 413-540-4203

With a copy to:

Billing Department

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040-2841

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner[To be supplied]

System Operator: ISO New England Inc.

Attention: Generation Interconnection, Transmission Planning Department

One Sullivan Road

Holyoke, MA 01040-2841

Phone: _____ Fax: 413-540-4203

With a copy to:

Billing Department

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040-2841

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to the other Party(ies) and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Phone: _____ Fax: _____

E-mail: _____

If to the Interconnecting Transmission Owner:

Phone: _____ Fax: _____

E-mail: _____

If to the System Operator:

Phone: _____ Fax: 413-540-4203

E-mail: geninterconn@iso-ne.com

With a copy to:

Billing Department

Facsimile: (413) 535-4024

E-mail: billingdept@iso-ne.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

[To be supplied]

Interconnecting Transmission Owner's Operating Representative:

[To be supplied]

System Operator's Operating Representative:

ISO New England Inc.

Attention: Generation Interconnection, Transmission Planning Department

One Sullivan Road

Holyoke, MA 01040-2841

Phone: _____ Fax: (413) 540-4203

E-mail: geninterconn@iso-ne.com

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

13.5 Changes to the Notice Information

A Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

***[Insert name of]* (Interconnecting Transmission Owner)**

Name: _____

Title: _____

Date: _____

***[Insert name of]* (Interconnection Customer)**

Name: _____

Title: _____

Date: _____

ISO New England Inc. (System Operator)

Name: _____

Title: _____

Date: _____

ATTACHMENTS TO SGIA

Attachment 1	Glossary of Terms
Attachment 2	Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment
Attachment 3	One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment and Upgrades
Attachment 4	Milestones
Attachment 5	Additional Operating Requirements for the New England Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs
Attachment 6	Interconnecting Transmission Owner's Description of its Upgrades, and Best Estimates of Upgrade Costs
Attachment 7	Commercial Operation Date

Glossary of Terms

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this SGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

Affected System Operator shall mean the entity that operates an Affected System.

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England Transmission System, as described in Section 9 of this SGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this SGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this SGIP.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the New England Control Area.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components.

For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Small Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Small Generator Interconnection Agreement.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) shall mean that portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study (“CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Small Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade (“CETU”) shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff . The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study (“CRPS”) shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study (“CFAC”) shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study (“CSIS”) shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this SGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this SGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this SGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this SGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this SGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this SGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment 7 to the Standard Small Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this SGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this SGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 7.6 of the Standard Small Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Interconnecting Transmission Owner's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Interconnecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Small Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the

establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Small Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment 2 to the Standard Small Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this SGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Attachment 2 of the Standard Small Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for the Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy, or the Cluster Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 8 of this SGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this SGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this SGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this SGIP, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service for all or part of a Generating Facility's capability. Interconnection Request shall not include a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended

by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service shall mean the service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the SGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment and the Optional Interconnection Study described in the SGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this SGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Small Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more 20 MW or less.

SGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed SGIA, or within ten (10) Business Days of requesting that the SGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this SGIP.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its obligations under the Standard Small Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, 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 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 Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond the Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Small Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this SGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this SGIP that is made among Interconnecting Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Network Capability Interconnection Standard (“NC Interconnection Standard”) shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource (“NR”) shall mean the portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability (“NR Capability”) shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service (“NR Interconnection Service”) shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer’s NR Interconnection Service shall be solely for the megawatt amount of the NR Capability requested pursuant to Section 3.1 of this SGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Small Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this SGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating

Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Standard Small Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of interconnection requests for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, and analyzing such information.

Site Control shall mean the exclusive ~~land~~-right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or

other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Attachment 2 to the Standard Small Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide the Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Small Generator Interconnection Agreement (“SGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility, that is included in this Schedule 23 to the Tariff.

Standard Small Generator Interconnection Procedures (“SGIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in this Schedule 23 to the Tariff.

Study Case shall have the meaning specified in Sections ~~6.2~~ 7.3 and 7.5 of this SGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an

Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for an ~~existing~~ Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

System Protection Facilities shall mean the equipment, including necessary signal protection communications equipment, required to protect (1) the New England Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the New England Transmission System or on other delivery systems or other generating systems to which the New England Transmission System is directly connected.

Transitional Capacity Network Resource Group Study (“Transitional CNR Group Study”) shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this SGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the SGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this SGIP.

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Interconnecting Transmission Owner. The Interconnecting Transmission Owner will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

I. DESCRIPTION OF MAJOR COMPONENTS

A. Small Generating Facility

(1) Description of Small Generating Facility.

[insert]

(2) The Small Generating Facility shall receive:

____ Network Resource Interconnection Service for the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer, and [insert gross and net at or above 0 degrees F] MW for Winter.

____ Capacity Network Resource Interconnection Service for: (a)(i) the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer and [insert gross and net at or above 0 degrees F] MW for Winter; and (ii) the CNR Capability at [insert net] MW for Summer and [insert net] MW for Winter, which shall not exceed [insert the maximum net MW electrical output of the Generating Facility at an ambient temperature at or above 90 degrees F for summer and at or above 20 degrees F for winter].

- (3) Detailed Description of Small Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	
Excitation System Model	
Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	

Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	
Transient Reactance (saturated)	
Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	
Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

B. Interconnection Facilities

[insert]

C. Metering Equipment

[insert]

D. Other Components

[insert]

II. INTERCONNECTION EQUIPMENT OWNERSHIP, OPERATION AND MAINTENANCE

A. Point of Change of Ownership; Point of Interconnection

[insert]

B. Description of Responsibilities

[insert]

III. PRICING ESTIMATES

A. Interconnection Facilities

[insert]

B. Metering Equipment

[insert]

C. Operation and Maintenance

[insert]

Attachment 3

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

[insert]

Milestones

- 1. Milestones and Other Requirements:** The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the SGIP and this SGIA. The referenced section of the SGIP or article of the SGIA should be reviewed to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	SGIP/SGIA Reference
1	Submit updated data “as purchased”	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	
2	Submit supplemental and/or updated data “as built/as-tested”	Interconnection Customer	Prior to Commercial Operation Date	
3	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone #3 below and ending when the entire Small Generating	

			Facility and all required Interconnection Facilities and Network Upgrades are in place	
4	Deliver to Transmission Owner “as built” drawings, information and documents regarding Interconnection Customer’s Interconnection Facility	Interconnection Customer	If requested, within 120 Calendar Days after Commercial Operation date	

2. Milestones Applicable If Facilities Study Has Been Waived by Interconnection Customer:

Item No.	Milestone Description	Responsible Party	Date	SGIP/SGIA Reference
1	Siting approval for the Generating Facility and Interconnection Facilities	Interconnection Customer	As agreed to by the Parties	SGIP § 7.5
2	Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner	Interconnection Customer	As agreed to by the Parties	SGIP § 7.5

3	Commit to the ordering of long lead time material for Interconnection Facilities and system upgrades	Interconnection Customer	As agreed to by the Parties	SGIP § 5.2
4	In-Service Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	
5	Initial Synchronization Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	SGIP § 3.4.2, 4.4.4, 4.4.5, and 7.5
6	Commercial Operation Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	SGIP § 3.4.2, 4.4.4, 4.4.5, and 7.5
7	Provide evidence of 100% Site Control to System Operator	Interconnection Customer	Upon Execution of the LGIA	§ 11.3.1.1 of SGIP
8	Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by or the LGIA may be terminated per	Interconnection Customer	180 days from the effective date of this LGIA	

	Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's LGIP (Calculation of the Withdrawal Penalty).			
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- 3. Milestones Applicable Solely for CNR Interconnection Service.** In addition to the Milestones above, for projects that achieve a Capacity Supply Obligation prior to September 4, 2024, the following Milestones apply to Interconnection Customers requesting CNR Interconnection Service:

Item #	Milestone	Responsible Party	Date	SGIP/SGIA Reference
1	Submit necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date, in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of SGIP
2	Participate in a CNR Group Study	Interconnection Customer; System Operator		§ 3.2.1.3 of SGIP
3	Qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of SGIP

4	Complete a re-study of the applicable Interconnection Study to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request based on the results of the Forward Capacity Auction, Reconfiguration Auction or bilateral transaction through which the Interconnection Customer received a Capacity Supply Obligation	System Operator		<u>§ 3.2.1.3 of SGIP</u>
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**Additional Operating Requirements for the
New England Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Interconnecting Transmission Owner shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the New England Transmission System.

I. OPERATING REQUIREMENTS

[Insert]

**Interconnecting Transmission Owner's
Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Interconnecting Transmission Owner shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Interconnecting Transmission Owner shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

I. DESCRIPTION OF UPGRADES

A. Distribution Upgrades

[Insert]

B. Network Upgrades

[Insert]

(1) Stand Alone Network Upgrades

(2) Other Network Upgrades

C. Affected System and/or Internal Affected System Upgrades

[Insert]

D. Contingent Facilities: [insert list of Contingent Facilities]

(1) Other Contingency Upgrades. [e.g., list of upgrades associated with higher queued Interconnection Requests with SGIA's prior to this SGIA and any other contingency upgrades that the Parties may deem necessary for the interconnection of the Small Generating Facility.]

E. Post-Forward Capacity Auction Re-study Upgrade Obligations.

[Insert any changes in upgrade obligations that result from re-study conducted post receiving a Capacity Supply Obligation in accordance with the Tariff.]

Commercial Operation Date

This Attachment 7 is a part of the SGIA between System Operator, Interconnecting Transmission Owner and Interconnection Customer.

[Date]

[Interconnecting Transmission Owner; Address]

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Re: _____ Small Generating Facility

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. ____.
This letter confirms that [Interconnection Customer] commenced commercial operation of Unit No. ____ at the Small Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

ATTACHMENT K
REGIONAL SYSTEM PLANNING PROCESS

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APPENDIX 2 – LIST OF ENTITIES ENROLLED IN THE TRANSMISSION PLANNING REGION

APPENDIX 3 – LIST OF QUALIFIED TRANSMISSION PROJECT SPONSORS

1. Overview

This Attachment describes the regional system planning process conducted by the ISO, as well as the coordination with transmission-owning entities in, or other entities interconnected to, the New England Transmission System and neighboring systems to ensure the reliability of the New England Transmission System and compliance with national and regional planning standards, criteria and procedures, while accounting for market performance, economic, environmental, and other considerations, as may be agreed upon from time to time. The New England Transmission System is comprised of PTF, Non-PTF, OTF and MTF within the New England Control Area that is under the ISO's operational authority or control pursuant to the ISO Tariff and/or various transmission operating agreements. This Attachment describes the regional system planning process for the PTF conducted by the ISO, and local system planning process conducted by the PTOs, pursuant to their responsibilities defined in the Tariff, the various transmission operating agreements and this Attachment. Additional details regarding the regional system planning process are also provided in the ISO New England Planning Procedures and ISO New England Operating Procedures, which are available on the ISO's website.

The ISO shall conduct the regional system planning process for the PTF in coordination with the transmission-owning entities in, or other entities interconnected to, the New England Transmission System and neighboring systems, consistent with the rights and obligations defined in the Tariff, applicable transmission operating agreements and this Attachment. As described in this Attachment's Section 6 and Appendix 1, entitled "Attachment K -Local System Planning Process", the PTOs are responsible for the Local System Planning ("LSP") process for the Non-PTF in the New England Transmission System. As also described in Section 6, and pursuant to the Tariff and/or transmission operating agreements, the OTOs and MTOs are required to participate in the ISO's regional system planning process for reliability purposes and to perform and/or support studies of the impact of regional system planning projects on their respective OTF and MTF.

The regional system planning process described in this Attachment provides for the ISO to undertake assessments of the needs of the PTF system on a systemwide or specific area basis. These assessments shall be referred to as Needs Assessments, as described in Section 4.1 of this Attachment. The ISO shall incorporate market responses that have met the criteria specified in Sections 4.1(f) and 4A.3(b) of this Attachment into the Needs Assessments, Public Policy Transmission Studies or the Regional System Plan ("RSP"), described below. Where market responses incorporated into the Needs Assessments or Public

Policy Transmission Studies do not eliminate or address the needs identified by the ISO in Needs Assessments, Public Policy Transmission Studies or the RSP, the ISO shall develop or evaluate, pursuant to Sections 4.2(b), 4.3, or 4A of this Attachment, as applicable, regulated transmission solutions proposed in response to the needs identified by the ISO.

Pursuant to Sections 3 and 7 of this Attachment, the ISO shall develop the RSP for approval by the ISO Board of Directors following stakeholder input through the Planning Advisory Committee established pursuant to Section 2 of this Attachment. The RSP is a compilation of the regional system planning process activities conducted by the ISO. The RSP shall address needs of the PTF system determined by the ISO through Needs Assessments initiated and updated on an ongoing basis by the ISO to: (i) account for changes in the PTF system conditions; (ii) ensure reliability of the PTF system; (iii) comply with national and regional planning standards, criteria and procedures; and (iv) account for market performance, economic, environmental and other considerations as may be agreed upon from time to time.

As more fully described in Section 3 of this Attachment, the RSP shall identify:

- (i) PTF system reliability and market efficiency needs,
- (ii) the requirements and characteristics of the types of resources that may satisfy PTF system reliability and market efficiency needs to provide stakeholders an opportunity to develop and propose efficient market responses to meet the needs identified in Needs Assessments;
- (iii) regulated transmission solutions to meet the needs identified in Needs Assessments where market responses do not address such needs or additional transmission infrastructure may be required to comply with national and regional planning standards, criteria and procedures or provide market efficiency benefits in accordance with Attachment N of this OATT;
- (iv) those projects identified through the Public Policy procedures described in Section 4A of this Attachment K; and

- (v) those projects identified through the longer-term transmission planning procedures described in Section 16 of this Attachment K.

In addition, the RSP shall also provide information on a broad variety of power system requirements that serves as input for reviewing the design of the markets and the overall economic performance of the system. The RSP shall also describe the coordination of the ISO's regional system plans with regional, local and inter-area planning activities.

Pursuant to Section 3.6 of this Attachment, the ISO shall also develop, maintain and post on its website a cumulative list reflecting the regulated transmission solutions proposed in response to Needs Assessments (the "RSP Project List"). The RSP Project List shall be a cumulative representation of the regional transmission planning expansion efforts ongoing in New England.

1.1 Enrollment

For purposes of participating as a transmission provider in the New England transmission planning region pursuant to this Attachment K, and distinct from Transmission Providers as defined in Section I of this Tariff, an entity chooses to enroll by executing (or having already executed) a: (i) transmission operating agreement with the ISO, or (ii) a Market Participant Service Agreement coupled with a written notification to the ISO that the entity desires to be a transmission provider in the New England region. Such enrollment in the transmission planning region is not necessary to participate in the Planning Advisory Committee, which is open to any entity as described in Section 2.3 of this Attachment K.

1.2 A List of Entities Enrolled in the Planning Region

A list of entities enrolled in the transmission planning region as transmission providers as described in Section 1.1. above, is included as Appendix 2 of this Attachment K.

2. Planning Advisory Committee

2.1 Establishment

A Planning Advisory Committee shall be established by the ISO to perform the functions set forth in Section 2.2 of this Attachment. It shall have a Chair and Secretary, who shall be appointed by the chief executive officer of the ISO or his or her designee. Before appointing an individual to the position of the Chair or Secretary, the ISO shall notify the Planning Advisory Committee of the proposed assignment

and, consistent with its personnel practices, provide any other information about the individual reasonably requested by the Planning Advisory Committee. The chief executive officer of the ISO or his or her designee shall consider the input of the members of the Planning Advisory Committee in selecting, removing or replacing such officers. The Planning Advisory Committee shall be advisory only and shall have no formal voting protocol.

The ISO may form subcommittees that, at the discretion of the ISO, may report to the Planning Advisory Committee.

2.2 Role of Planning Advisory Committee

The Planning Advisory Committee may provide input and feedback to the ISO concerning the regional system planning process, including the development of and review of Needs Assessments, the conduct of Solutions Studies, the development of the RSP, and updates to the RSP Project List. Specifically, the Planning Advisory Committee serves to review and provide input and comment on: (i) the development of the RSP, (ii) assumptions for studies, (iii) the results of Needs Assessments, Solutions Studies, and competitive solutions developed pursuant to Section 4.3 of this Attachment, (iv) potential market responses to the needs identified by the ISO in a Needs Assessment or the RSP, (v) Cluster Enabling Transmission Upgrades Regional Planning Studies, (vi) the results of Public Policy Transmission Studies and competitive solutions developed pursuant to Section 4A of this Attachment, and (vii) Longer-Term Transmission Studies and competitive solutions developed pursuant to Section 16 of this Attachment.

The Planning Advisory Committee, with the assistance of and in coordination with the ISO, serves also to identify and prioritize the Stakeholder-Requested Scenario and stakeholder-requested scenario sensitivities for Economic Studies to be performed by the ISO, and provides input and feedback to the ISO concerning the conduct of Economic Studies, including the criteria and assumptions. Based on input and feedback related to the regional system planning process provided by the Planning Advisory Committee to the ISO, the ISO shall consult with the appropriate NEPOOL technical committees, including but not limited to, the Markets, Reliability and Transmission Committees, on issues and concerns identified by the Planning Advisory Committee as requiring further investigation and consideration of potential changes to ISO New England Operating Documents.

2.3 Membership

There are no membership requirements to become part of the Planning Advisory Committee. Meetings are open to members of any entity, including State regulators or agencies and NESCOE, subject to the Critical Energy Infrastructure Information (“CEII”) policy as further described in Section 2.4(d) of this Attachment. To be added to the Planning Advisory Committee email distribution list, an email address shall be provided to the Secretary of the Committee. Throughout this Attachment K, a member of the Planning Advisory Committee refers to any individual, whether they attend Planning Advisory Committee meetings or are included on the email distribution list.

2.4 Procedures

(a) Notice of Meetings

Prior to the beginning of each year, the ISO shall list on the ISO Calendar, which is available on the ISO’s website, the proposed meeting dates for the Planning Advisory Committee for each month of the year. Prior to a Planning Advisory Committee meeting, the ISO shall provide notice to the Planning Advisory Committee by electronic email with the date, time, format for the meeting (i.e., in person or teleconference), and the purpose for the meeting.

(b) Frequency of Meetings

Meetings of the Planning Advisory Committee shall be held as frequently as necessary to serve the purposes stated in Section 2.2 of this Attachment and as further specified elsewhere in this Attachment, generally expected to be no less than four (4) times per year.

(c) Availability of Meeting Materials

The ISO shall post materials for Planning Advisory Committee meetings on the Planning Advisory Committee section on the ISO’s website prior to meetings. The materials for the Planning Advisory Committee meetings shall be made available to the members of the Planning Advisory Committee subject to protections warranted by confidentiality requirements of the ISO New England Information Policy set forth in Attachment D of the ISO Tariff and Critical Energy Infrastructure Information (“CEII”) policy as further described in Section 2.4(d) of this Attachment.

(d) Access to Planning-Related Materials that Contain CEII

CEII is defined as specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or virtual) that:

- (i) Relates details about the production, generation, transportation, transmission, or distribution of energy;
- (ii) Could be useful to a person in planning an attack on critical infrastructure;
- (iii) Is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. 552; and
- (iv) Does not simply give the location of critical infrastructure.

CEII pertains to existing and proposed system and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters. CEII does not include information that is otherwise publicly available. Simplified maps and general information on engineering, vulnerability, or design that relate to production, generation, transportation, transmission or distribution of energy shall not constitute CEII.

Planning-related materials determined to be CEII will be posted on the ISO's password-protected website. To obtain access to planning-related materials determined to be CEII, the entity seeking to obtain such access must contact the ISO's Customer Service department. Authorized Market Participants or their representatives, such as consultants, are bound by the ISO New England Information Policy and will be able to access CEII materials through the ISO's password-protected website. State and federal governmental agency employees and their consultants will be able to access such materials through the ISO's password-protected website upon submittal of a signed non-disclosure agreement, which is available on the ISO's website. Personnel of the ERO, NPCC, other regional transmission organizations or independent system operators, and transmission owners from neighboring regions will be able to access CEII materials pursuant to governing agreements, rules and protocols. All external requests by other persons for planning-related materials determined to be CEII shall be recorded and tracked by ISO's Customer Services staff. Such requestors will be able to obtain access to CEII documents filed with

the Commission pursuant to the Commission's regulations governing access to CEII. To the extent a requestor seeks access to planning-related material that is not filed with the Commission, such requestor shall comply with the requirements provided in the CEII procedures of the ISO, available on the ISO's website, prior to receiving access to CEII information. Upon compliance with the ISO's CEII procedures, the ISO shall grant the requestor access to the planning-related CEII document through direct distribution or access to the ISO password-protected website.

2.5 Local System Planning Process

The LSP process described in Appendix 1 to this Attachment applies to the transmission system planning for the Non-PTF in the New England Transmission System. The PTOs will utilize interested members of the Planning Advisory Committee for advisory stakeholder input in the LSP process that will meet, as needed, at the conclusion of, or independent of, scheduled Planning Advisory Committee meetings. The LSP meeting agenda and meeting materials will be developed by representatives of the pertinent PTOs and PTO representatives will chair the LSP meeting. The ISO will post the LSP agenda and materials for LSP.

3. RSP: Principles, Scope, and Contents

3.1 Description of RSP

The ISO shall develop the RSP based on periodic comprehensive assessments (conducted not less than every third year) of the PTF systemwide needs to maintain the reliability of the New England Transmission System while accounting for market efficiency, economic, environmental, and other considerations, as agreed upon from time to time. The ISO shall update the RSP to reflect the results of ongoing Needs Assessments conducted pursuant to Section 4.1 of this Attachment. The RSP shall also account for projected improvements to the PTF that are needed to maintain system reliability in accordance with national and regional standards and the operation of efficient markets under a set of planning assumptions.

The RSP shall, among other things:

- (i) describe, in a consolidated manner, the assessment of the PTF system needs, the results of such assessments, and the projected improvements;

- (ii) provide the projected annual and peak demands for electric energy for a five-to ten-year horizon, the needs for resources over this period and how such resources are expected to be provided;
- (iii) specify the physical characteristics of the physical solutions that can meet the needs defined in the Needs Assessments and include information on market responses that can address them; and
- (iv) provide sufficient information to allow Market Participants to assess the quantity, general locations, operating characteristics and required availability criteria of the type of incremental supply or demand-side resources, or merchant transmission projects, that would satisfy the identified needs or that may serve to modify, offset or defer proposed regulated transmission upgrades.

The RSP shall also include a description of proposed regulated transmission solutions that, based on the Solutions Studies described in Section 4.2 of this Attachment and the competitive solution process described in Sections 4.3 and 16 of this Attachment, meets the needs identified in the Needs Assessments. To this end, as further described in Section 3.6 below, the ISO shall develop and maintain a RSP Project List, a cumulative listing of proposed regulated transmission solutions classified, to the extent known, as Reliability Transmission Upgrades, Market Efficiency Transmission Upgrades, Longer-Term Transmission Upgrades, and Public Policy Transmission Upgrades (which, for the foregoing types of upgrades, may include the portions of Interregional Transmission Projects located within the New England Control Area) and of External Transmission Projects. The RSP shall also provide reasons for any new regulated transmission solutions or Transmission Upgrades included in the RSP Project List, any change in status of a regulated transmission solution or Transmission Upgrade in the RSP Project List, or for any removal of regulated transmission solutions or Transmission Upgrades from the RSP Project List that are known as of that time.

Each RSP shall be built upon the previous RSP.

3.2 Baseline of RSP

The RSP shall account for: (i) all projects that have met milestones, including market responses and regulated transmission solutions (e.g., planned demand-side projects, generation and transmission projects and Elective Transmission Upgrades) as determined by the ISO, in collaboration with the Planning Advisory Committee, pursuant to Sections 4.1, 4.2, 4.3, 4A, and 16 of this Attachment; and (ii) the requirements for system operation and restoration services, not including the development of a system operations or restoration plan, which is outside the scope of the regional system planning process.

3.3 RSP Planning Horizon and Parameters

The RSP shall be based on a five-to ten-year planning horizon, and reflect five-to ten-year capacity and load forecasts.

The RSP shall conform to: Good Utility Practice; applicable Commission compliance requirements related to the regional system planning process; applicable reliability principles, guidelines, criteria, rules, procedures and standards of the ERO, NPCC, and any of their successors; planning criteria adopted and/or developed by the ISO; Transmission Owner criteria, rules, standards, guides and policies developed by the Transmission Owner for its facilities consistent with the ISO planning criteria, the applicable criteria of the ERO and NPCC; local transmission planning criteria; and the ISO New England Planning Procedures and ISO New England Operating Procedures, as they may be amended from time to time (collectively, the “Planning and Reliability Criteria”).

The revisions to this Attachment K submitted to comply with FERC’s Order No. 1000 shall not apply to any Proposed or Planned project included in an RSP approved by the ISO Board of Directors (or in an RSP Project List update) prior to the May 18, 2015 effective date of the Order No. 1000 compliance filing of the ISO and the PTOs, unless the ISO is re-evaluating the solution design for such project as of that effective date, or subsequently determines that the solution design for such project requires re-evaluation.

3.4 Other RSP Principles

The RSP shall be designed and implemented to: (i) avoid unnecessary duplication of facilities; (ii) identify facilities that are necessary to meet Planning and Reliability Criteria; (iii) avoid the imposition of unreasonable costs upon any Transmission Owner, Transmission Customer or other user of a transmission facility; (iv) take into account the legal and contractual rights and obligations of the Transmission Owners and the transmission-related legal and contractual rights and obligations of any other entity; (v) provide

for coordination with existing transmission systems and with appropriate inter-area and local expansion plans; and (vi) properly coordinate with market responses, including, but not limited to generation, merchant transmission and demand-side responses.

3.5 Market Responses in RSP

Market responses shall include investments in resources (e.g., demand-side projects, generation and distributed generation) and Elective Transmission Upgrades and shall be evaluated by the ISO, in consultation with the Planning Advisory Committee, pursuant to Sections 4.1(f), 4A.3(b), and 7 of this Attachment.

In developing the RSP, the ISO shall account for market responses: (i) proposed by Market Participants as addressing needs (and any critical time constraints for addressing such needs) identified in an RSP, Needs Assessment, or Public Policy Transmission Study; and (ii) that have proved to be viable by meeting the criteria specified in Section 4.1(f) or 4A.3(b) of this Attachment, as applicable.

Specifically, market responses that are identified to the ISO and are determined by the ISO, in consultation with the Planning Advisory Committee, to be sufficient to alleviate the need for a particular regulated transmission solution or Transmission Upgrade, based on the criteria specified in the pertinent Needs Assessment or RSP, and are judged by the ISO to be achievable within the required time period, shall be reflected in the next RSP and/or in a new or updated Needs Assessment. That particular regulated transmission solution or Transmission Upgrade may continue to be included in the appropriate category on the RSP Project List (as described in Section 3.6 below), subject to the ISO having the flexibility to indicate that the project should proceed at a later date or it may be removed if it is determined to be no longer needed. If the market response does not fully address the defined needs, or if additional transmission infrastructure is required to facilitate the efficient operation of the market, the RSP shall also include that particular regulated transmission solution or Transmission Upgrade, subject to the ISO having the flexibility to indicate that the Transmission Upgrade or regulated transmission solution should proceed at a later date and be modified, if necessary.

3.6 The RSP Project List

(a) Elements of the RSP Project List

The RSP Project List shall identify regulated transmission solutions proposed in response to the needs identified in a RSP or Needs Assessments conducted pursuant to Section 4.1 of this Attachment, Public Policy Transmission Upgrades identified pursuant to Section 4A of this Attachment, and Longer-Term Transmission Upgrades identified pursuant to Section 16 of this Attachment. The RSP Project List shall identify the proposed regulated transmission solutions separately as a Reliability Transmission Upgrade, a Market Efficiency Transmission Upgrade, a Public Policy Transmission Upgrade, or a Longer-Term Transmission Upgrade.

With regard to Reliability Transmission Upgrades, Market Efficiency Transmission Upgrades, Public Policy Transmission Upgrades, and Longer-Term Transmission Upgrades, the following subcategories will be utilized to indicate the status of each proposed regulated transmission solution in the evaluation process. These subcategories include: (i) Proposed; (ii) Planned; (iii) Under Construction; and (iv) In-Service.

The regulated transmission solution subcategories are defined as follows:

(i) For purposes of Reliability Transmission Upgrades and Market Efficiency Transmission Upgrades, “Proposed” shall include a regulated transmission solution that (a) has been proposed in response to a specific need identified by the ISO in a Needs Assessment or the RSP and (b) has been evaluated or further defined and developed in a Solutions Study, as specified in Section 4.2(a) of this Attachment, or in the competitive solutions process specified in Section 4.3 of this Attachment, such that there is significant analysis that supports a determination by the ISO, as communicated to the Planning Advisory Committee, that the proposed regulated transmission solution would likely meet the need identified by the ISO in a Needs Assessment or the RSP, but has not received approval by the ISO under Section I.3.9 of the Tariff.

For purposes of Public Policy Transmission Upgrades and Longer-Term Transmission Upgrades, “Proposed” means that the ISO has included the project in the RSP Project List pursuant to the procedures described in Section 4A or 16 of this Attachment K, but that the project has not yet been approved by the ISO under Section I.3.9 of the Tariff.

(ii) “Planned” shall include a Transmission Upgrade that has met the requirements for a Proposed project and has been approved by the ISO under Section I.3.9 of the Tariff.

(iii) “Under Construction” shall include a Transmission Upgrade that has received the approvals required under the Tariff and engineering and construction is underway.

(iv) “In Service” shall include a Transmission Upgrade that has been placed in commercial operation.

The RSP Project List shall also list External Transmission Projects for which cost allocation and, if applicable, operating agreements have been accepted by the Commission, and indicate whether such External Transmission Projects are proposed, under construction or in service.

Each Reliability Transmission Upgrade and Market Efficiency Transmission Upgrade shall be cross-referenced to the specific systemwide or area needs identified in a Needs Assessment or RSP. Each proposed Public Policy Transmission Upgrade shall be cross-referenced in the RSP Project List to a specific Public Policy Transmission Study. Each proposed Longer-Term Transmission Upgrade shall be cross-referenced in the RSP Project List to a specific Longer-Term Transmission Study.

For completeness, the RSP Project List shall also include Elective Transmission Upgrades and transmission facilities (as determined under the ISO interconnection process specified in this OATT) to be built to accommodate new generation, and Elective Transmission Upgrades that have satisfied the requirements of this OATT.

An Interregional Transmission Project developed pursuant to Section 6.3 of this Attachment K may displace a regional Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade on the RSP Project List where the ISO has determined that the Interregional Transmission Project is a more efficient or cost-effective solution.

In the case of an Interregional Transmission Project that could meet the needs met by a Public Policy Transmission Upgrade, the associated Public Policy Transmission Upgrade may be removed from the RSP Project List in the circumstances described, and using the procedures specified, in Section 4A of Attachment K.

(b) Periodic Updating of RSP Project List

The RSP Project List will be updated by the ISO periodically by adding, removing or revising regulated transmission solutions or Transmission Upgrades in consultation with the Planning Advisory Committee and, as appropriate, the Reliability Committee.

Updating of the RSP Project List shall be considered an update of the RSP to be reflected in the next RSP, as appropriate, pursuant to Section 3.1 of this Attachment.

(c) RSP Project List Updating Procedures and Criteria

As part of the periodic updating of the RSP Project List, the ISO: (i) shall modify (in accordance with the provisions of this Attachment) regulated transmission solutions or Transmission Upgrades to reflect changes to the PTF system configurations, including ongoing investments by Market Participants or other stakeholders; (ii) may add to and classify accordingly, regulated transmission solutions; (iii) may remove from the RSP Project List regulated transmission solutions or Transmission Upgrades previously identified in the RSP Project List if the ISO determines that the need for the proposed regulated transmission solution or the approved Transmission Upgrade no longer exists or is no longer feasible; and (iv) may remove from the RSP Project List regulated transmission solutions or Transmission Upgrades that have been displaced by an Interregional Transmission Project in the circumstances described in Section 3.6(a) of this Attachment. With regard to (iii) above, this may include the removal of a regulated transmission solution or Transmission Upgrade because a market response meeting the need reaches the maturity specified in Sections 4.1(f) or 4A.3(b) of this Attachment and has been determined, pursuant to Sections 4.1(f) or 4A.3(b) of this Attachment, to meet the need described in the pertinent Needs Assessment, Public Policy Transmission Study or RSP, as applicable. In doing so, the ISO shall consult with and consider the input from the Planning Advisory Committee and, as appropriate, the Reliability Committee. In

addition, the ISO shall remove from the RSP Project List any Public Policy Transmission Upgrade if the ISO determines, with input from the Planning Advisory Committee, that the need to which the Public Policy Transmission Upgrade responds no longer exists. Furthermore, the ISO shall remove from the RSP Project List any Longer-Term Transmission Upgrade if requested to do so in a written NESCOE communication.

If a regulated transmission solution or Transmission Upgrade is removed from the RSP Project List by the ISO, the entity responsible for the construction of the regulated transmission solution or Transmission Upgrade shall be reimbursed for any costs prudently incurred or prudently committed to be incurred (plus a reasonable return on investment at existing Commission-approved ROE levels) in connection with the planning, designing, engineering, siting, permitting, procuring and other preparation for construction, and/or construction of the regulated transmission solution or Transmission Upgrade proposed for removal from the RSP Project List. The provisions of Schedule 12, Schedule 13, Schedule 14, and Schedule 14A of this OATT shall apply to any cost reimbursement under this Section. Prior to finalizing the RSP, the ISO shall provide the Planning Advisory Committee with written information explaining the reasons for any removal under this Section.

(d) Posting of LSP Project Status

Each PTO will be individually responsible for publicly posting and updating the status of its respective LSP and the transmission projects arising therefrom on its company website. The ISO's posting of the RSP Project Lists will include links to each PTO's specific LSP posting to be provided to the ISO by the PTOs.

4. Procedures for the Conduct of Needs Assessments, Treatment of Market Responses and Evaluation of Regulated Transmission Solutions

4.1 Needs Assessments

The regional system planning process established in this Attachment K has four different processes. Except as otherwise provided in Section 16 of this Attachment, the reliability planning process established in this Attachment K shall apply to all transmission solutions adopted to resolve a reliability need, and the market efficiency planning process established in this Attachment K shall apply to all

transmission solutions adopted to resolve a market efficiency need. The public policy planning process established in this Attachment K shall apply to all transmission solutions adopted to resolve a public policy need. The longer-term transmission planning procedures established in this Attachment K shall apply to all transmission solutions adopted to resolve a longer-term need, and may apply to a non-time-sensitive reliability or market-efficiency need to the extent identified by the ISO and combined with longer-term needs in a request for proposal(s) requested by NESCOE in accordance with Section 16.4(a) of this Attachment K.

As described further in Section 4.1(a) below, the planning process in Section 17 of this Attachment K shall be used to identify market efficiency issues and, along with Section 4.1(a), trigger market efficiency Needs Assessments. Market efficiency Needs Assessments shall be conducted pursuant to this Section 4.

For needs identified initially as reliability, market efficiency or public policy needs, the collateral benefits of potential solutions to those needs shall not change the planning process applicable to those identified needs; notwithstanding the foregoing, the ISO shall report its views as to whether a project or preferred solution may also satisfy identified reliability needs of the system as described in Section 4A.8 of this Attachment K.

Sections 4.1 through 4.3 of this Attachment are not applicable to the planning of Public Policy Transmission Upgrades, which is governed instead by Section 4A of this Attachment. Sections 4.1 through 4A of this Attachment are not applicable to the planning of Longer-Term Transmission Upgrades, which is governed instead by Section 16 of this Attachment.

On a regular and ongoing basis, the ISO, in coordination with the PTOs and the Planning Advisory Committee, shall conduct assessments (i.e., Needs Assessments) of the adequacy of the PTF system, as a whole or in part, to maintain the reliability of such facilities (i.e., reliability Needs Assessment) and the operation of efficient wholesale electric markets in New England (i.e., market efficiency Needs Assessment). A Needs Assessment shall analyze whether the PTF in the New England Transmission System: (i) meet applicable reliability standards; (ii) have adequate transfer capability to support local, regional, and inter-regional reliability; (iii) support the efficient operation of the wholesale electric markets; (iv) are sufficient to integrate new resources and loads on an aggregate or regional basis; or (v) otherwise examine various aspects of its performance and capability. A Needs Assessment shall also

identify: (i) the location and nature of any potential problems with respect to the PTF and (ii) situations that significantly affect the reliable and efficient operation of the PTF along with any critical time constraints for addressing the needs of the PTF to facilitate the development of market responses and to initiate the pursuit of regulated transmission solutions.

(a) Triggers for Needs Assessments

The ISO, in coordination with the PTOs and the Planning Advisory Committee, shall perform Needs Assessments, inter alia, as needed to:

- Assess compliance with reliability standards and criteria (including those established by the ISO, NERC, and NPCC) consistent with the long term needs of the system.
- Assess the adequacy of the transmission system capability, such as transfer capability, to support local, regional and interregional reliability.
- Assess the efficient operation of the wholesale electric market. (See Attachment N regarding the identification of market efficiency upgrades).
- Assess sufficiency of the system to integrate new resources and loads on an aggregate or regional basis as needed for the reliable and efficient operation of the system.
- Analyze various aspects of system performance. (Including but not limited to, transient network analysis, small signal analysis, electromagnetic transients program analysis, or delta P analysis).
- Examine short circuit performance of the system.
- Assess the ability to efficiently operate and maintain the transmission system.
- Address market efficiency issues.
- Address system performance in consideration of de-list bids and cleared demand bids consistent with sections 4.1(c) and 4.1(f) of Attachment K.
- Address system performance as otherwise deemed appropriate by the ISO.

(b) [RESERVED]

(c) Conduct of a Needs Assessment for Rejected De-List Bids

- (i) In the case of a rejected Static De-List Bid or Dynamic De-List Bid, the ISO may as warranted, with advisory input from the Reliability Committee, examine the unavailability of the resource(s) with the rejected bid as a sensitivity in a Needs Assessment, or examine the unavailability of the resource(s) in the base representation in a Needs Assessment. The ISO may as warranted, with advisory input from the Reliability Committee, initiate a Needs Assessment for the purpose of modeling rejected Static De-List Bids or Dynamic De-List Bids where the ISO believes that the initiation of such a study is warranted.
- (ii) Prior to the start of each New Capacity Show of Interest Submission Window, the ISO shall present to the Reliability Committee the status of any prior rejected Dynamic De-List Bids, Static De-List Bids, Permanent De-List Bids or Retirement De-List Bids being studied in the regional system planning process.

(d) Notice of Initiation of Needs Assessments

Prior to its commencement, the ISO shall provide notice of the initiation of a Needs Assessment to the Planning Advisory Committee consistent with Section 2 of this Attachment.

(e) Preparation of Needs Assessment

Needs Assessments may examine resource adequacy, transmission adequacy, projected congestion levels and other relevant factors as may be agreed upon from time to time. Needs Assessments shall also consider the views, if any, of the Planning Advisory Committee, State regulators or agencies, NESCOE, the Market Advisor to the ISO Board of Directors, and the ISO Board of Directors. A corresponding assessment shall be performed by the PTOs to identify any needs relating to the Non-PTF transmission facilities (of whatever voltage) that could affect the provision of Regional Transmission Service over the PTF.

(f) Treatment of Market Responses in Needs Assessments

The ISO shall reflect proposed market responses in the regional system planning process. Market responses may include, but are not limited to, resources (e.g., demand-side projects and distributed generation), and Elective Transmission Upgrades.

In performing Needs Assessments, the ISO shall rely on certain resources to prevent the identification of system needs. Specifically, the ISO shall incorporate or update information regarding future resources, with the exception of imports across external tie lines, in Needs Assessments that have been proposed and (i) have cleared in a Forward Capacity Auction pursuant to Market Rule 1 of the ISO Tariff, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) have been forecast in the ISO's Forecast Report of Capacity, Energy, Loads and Transmission. The ISO shall also incorporate or update information regarding all existing resources, with the exception of imports across external tie lines, in Needs Assessments. Imports across future or existing external tie lines will not be relied upon unless such imports (i) have a Capacity Supply Obligation corresponding to the year of study, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) may be represented by a minimum flow based on HQ Interconnection Capability Credits. The ISO will model out-of-service all submitted Retirement De-List Bids, submitted Permanent De-List Bids, and demand bids that have cleared in a substitution auction, and may model out-of-service rejected-for-reliability Static De-List Bids and rejected-for-reliability Dynamic De-List Bids from the most recent Forward Capacity Auction. With respect to having been selected in, and being contractually bound by a state-sponsored request for proposals, or having a financially binding obligation pursuant to a contract, demonstration of such contracts is accomplished through submittal for ISO review of an order or other similar authorization from the appropriate state regulatory agency, along with a copy of the contract, that together demonstrate the contractual requirements. These documents may be submitted by: the Project Sponsor; the state regulatory agency authorizing the contract; a transmission company that is a counterparty to the contract; or by a third-party organization representing the interests of the New England states regarding energy related issues, such as NESCOE. The ISO shall incorporate or update information regarding a proposed Elective Transmission Upgrade in a Needs Assessment at a time after the studies corresponding to the Elective Transmission Upgrade are completed (including receipt of

approval under Section I.3.9 of the Tariff), a commercial operation date has been ascertained, and for which the certification has been accepted in accordance with Section III.12 of the Tariff. In the case where the Elective Transmission Upgrades are proposed in conjunction with the interconnection of a resource, these Elective Transmission Upgrades shall be considered at the same time as the proposed resource is considered in the Needs Assessment provided that the studies corresponding to the Elective Transmission Upgrade are completed (including receipt of approval under Section I.3.9 of the Tariff), a commercial operation date has been ascertained, and for which the certification has been accepted in accordance with Section III.12 of the Tariff.

(g) Needs Assessment Support

For the development of the Needs Assessments, the ISO will coordinate with the PTOs and the Planning Advisory Committee to support the ISO's performance of Needs Assessments. To facilitate this support, the ISO will post on its website the models, files, cases, contingencies, assumptions and other information used to perform Needs Assessments. The ISO may establish requirements that any PTO or member of the Planning Advisory Committee must satisfy in order to access certain information used to perform Needs Assessments, due to ISO New England Information Policy and CEII constraints. The ISO may ask PTOs or Planning Advisory Committee members with special expertise to provide technical support or perform studies required to assess one or more potential needs that will be considered in the Needs Assessments process. These entities will provide, and the ISO will post on its website, the models, files, cases, contingencies, assumptions and other information used by those entities to perform studies. The ISO will post the draft results of any such Needs Assessment studies on its website. The ISO will convene meetings open to any representative of an entity that is a member of the Planning Advisory Committee to facilitate input on draft Needs Assessments studies and the inputs to those studies prior to the ISO's completion of a draft Needs Assessment report to be reviewed by the entire Planning Advisory Committee pursuant to Section 4.1(i) of this Attachment. All provisions of this subsection (g) relating to the provision and sharing of information shall be subject to the ISO-NE Information Policy.

(h) Input from the Planning Advisory Committee

Meetings of the Planning Advisory Committee shall be convened to identify additional considerations relating to a Needs Assessment that were not identified in support of initiating the

assessment, and to provide input on the Needs Assessment's scope, assumptions and procedures, consistent with the responsibilities of the Planning Advisory Committee as set forth in Section 2.2 of this Attachment.

(i) Publication of Needs Assessment and Response Thereto

The ISO shall report the results of Needs Assessments to the Planning Advisory Committee, subject to CEII constraints. Needs Assessments containing CEII will be posted on the ISO's password-protected website consistent with Section 2.4(d) of this Attachment. Needs Assessments will identify high-level functional requirements and characteristics for regulated transmission solutions and market responses that can meet the needs described in the assessment. Where the ISO forecasts that a solution is needed to solve reliability criteria violations in three years or less from the completion of a Needs Assessment (unless the solution to the Needs Assessment will likely be a Market Efficiency Transmission Upgrade), and the requirements of Section 4.1(j) of this Attachment have been met or where there is only one Phase One Proposal submitted in response to a request for proposal issued under Sections 4.3(a) of this Attachment or only one proposed solution that is selected to move on as a Phase Two Solution, the ISO will evaluate the adequacy of proposed regulated solutions by performing Solutions Studies, as described in Section 4.2 of this Attachment. Where the solution to a Needs Assessment will likely be a Market Efficiency Transmission Upgrade, or where the forecast year of need for a solution that is likely to be a Reliability Transmission Upgrade is more than three years from the completion of a Needs Assessment, the ISO will conduct a solution process based on a two-stage competitive solution process, as described in Section 4.3 of this Attachment.

(j) Requirements for Use of Solutions Studies Rather than Competitive Solution Process for Projects Based on Year of Need

The following requirements must be met in order for the ISO to use Solutions Studies in the circumstances described in Section 4.1(i) based on the solution's year of need:

- (i) The ISO shall separately identify and post on its website an explanation of the reliability criteria violations and system conditions that the region has a time-sensitive need to solve within three years of the completion of the relevant Needs Assessment. The explanation

shall be in sufficient detail to allow stakeholders to understand the need and why it is time-sensitive.

- (ii) In deciding whether to utilize Solutions Studies, such that the regulated transmission solution will be developed through a process led by the ISO and built by the PTO(s), the ISO shall:
 - (A) Provide to the Planning Advisory Committee and post on its website a full and supported written description explaining the decision to designate a PTO as the entity responsible for construction and ownership of the reliability project, including an explanation of other transmission or non-transmission options that the region considered but concluded would not sufficiently address the immediate reliability need, and the circumstances that generated the reliability need and an explanation of why that reliability need was not identified earlier.
 - (B) Provide a 15-day period during which comments from stakeholders on the posted description may be sent to the ISO, which comments will be posted on the website, as well.
- (iii) The ISO shall maintain and post on its website a list of prior year designations of all projects in the limited category of transmission projects for which the PTO(s) was designated as the entity responsible for construction and ownership of the project following the performance of Solutions Studies. The list must include the project's need-by date and the date the PTO(s) actually energized the project, i.e., placed the project into service. The ISO shall file such list with the Commission as an informational filing in January of each calendar year covering the designations of the prior calendar year, when applicable.

4.2 Evaluation of Regulated Transmission Solutions in Solutions Studies, Where Competitive Solution Process of Section 4.3 Is Not Applicable

The procedures described in this Section 4.2 shall be utilized for the evaluation of regulated transmission solutions for reliability and market efficiency needs where the requirements of Sections 4.1(i) and/or (j) of this Attachment are satisfied. Otherwise, the procedures of Section 4.3 shall be utilized for that purpose.

(a) Evaluation and Development of Regulated Transmission Solutions in Solutions Studies for Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades

In the case of Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades, the ISO, in coordination with the proponents of regulated transmission solutions and other interested or affected stakeholders, shall conduct or participate in studies (“Solutions Studies”) to evaluate whether proposed regulated transmission solutions meet the PTF system needs identified in Needs Assessments. The ISO, in coordination with affected stakeholders shall also identify regulated transmission projects for addressing the needs identified in Needs Assessments.

The ISO may form ISO-led targeted study groups to conduct Solutions Studies. Such study groups will include representatives of the proponents of regulated transmission solutions and other interested or affected stakeholders. Through this process, the ISO may identify the solutions for the region that offer the best combination of electrical performance, cost, future system expandability, and feasibility to meet a need identified in a Needs Assessment in the required time frame. These solutions may differ from a transmission solution proposed by a transmission owner.

Proponents of regulated transmission proposals in response to Needs Assessments shall also identify any LSP plans that require coordination with their regulated transmission proposals addressing the PTF system needs.

(b) Notice of Initiation of a Solutions Study

The ISO shall provide notice of the initiation and scope of a Solutions Study to the Planning Advisory Committee.

(c) Classification of Regulated Transmission Solutions as Market Efficiency Transmission Upgrades or Reliability Transmission Upgrades

As described in Section 3.1 and 3.6(a) of this Attachment, proposed regulated transmission solutions determined by the ISO, in consultation with the Planning Advisory Committee, to address needs identified in Needs Assessments shall be classified as a Reliability Transmission

Upgrade and/or a Market Efficiency Transmission Upgrade pursuant to the standards set forth in Attachment N of this OATT.

(d) Evaluation Factors Used for Identification of the Preferred Solution

Factors to be considered during the evaluation process for identification of the preferred solution may include, but are not limited to, the following which are listed in no particular order:

- Installed cost;
- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;
- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;
- Loss savings;
- Replacement of aging infrastructure;
- Environmental impact;
- Design standards; and
- Impact on NPCC Bulk Power System classification.

(e) Identification of the Preferred Solution and Inclusion of Results of Solutions Studies for Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades in the RSP

The results of Solutions Studies related to Market Efficiency Transmission Upgrades and Reliability Transmission Upgrades will be reported to the Planning Advisory Committee. After receiving feedback from the Planning Advisory Committee, the ISO will identify the preferred solution. The ISO will inform the appropriate Transmission Owners in writing regarding the identification of the preferred solution.

Once identified, the preferred solution, as appropriate, will be reflected (with an overview of why the solution is preferred) in the RSP and/or its Project List, as it is updated from time to time in accordance with this Attachment. Where external impacts of regional projects are identified through coordination by the ISO with neighboring entities, those impacts will be identified in the RSP. Costs associated with such impacts will be addressed as set forth in Schedule 15.

(f) Cancellation of a Solutions Study

The ISO may cancel a Solutions Study at any time. Such cancellation may be due to new or different assumptions which may change or eliminate the identified needs. Any costs associated with Solutions Study development shall be recovered pursuant to Section 3.6(c) of this Attachment.

4.3 Competitive Solution Process for Reliability Transmission Upgrades and Market Efficiency Transmission Upgrades

(a) Initiating the Competitive Solution Process

The ISO will publicly issue a request for proposal for which, pursuant to Section 4.1(i) of this Attachment, a competitive solution process will be utilized. The request for proposal will indicate that a Qualified Transmission Project Sponsor may submit an individual or joint Phase One Proposal(s) offering a solution that addresses the identified needs or address a subset of those needs. In the case where a joint Phase One Proposal is submitted, all parties must be Qualified Transmission Project Sponsors. A Qualified Transmission Project Sponsor may propose a comprehensive solution to address the identified needs, or a subset thereof, that includes an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the Qualified Transmission Project Sponsor's proposed solution relating to the upgrade(s) of an existing transmission system element(s) must provide all data available to the Qualified

Transmission Project Sponsor as part of its response to the request for proposal. The Qualified Transmission Project Sponsor is not required to procure agreements with the PTO for implementation of such upgrades as the PTO is required to implement the upgrade(s) in accordance with Schedule 3.09(a) of the Transmission Operating Agreement if the proposed solution is selected through the competitive process.

A PTO or PTOs identified by the ISO as the Backstop Transmission Solution provider(s) shall submit an individual or joint Phase One Proposal (if more than one PTO is identified) as a Backstop Transmission Solution to comprehensively address all of the needs identified in the request for proposal that would be solved by a project located within or connected to its/their existing electric system, and which it/they would therefore have an obligation to build under Schedule 3.09(a) of the TOA. Such PTOs may recover the costs of preparing the Backstop Transmission Solution in accordance with the mechanisms reflected in the OATT and the terms of the TOA.

A member of the Planning Advisory Committee that is not a Qualified Transmission Project Sponsor but would like the ISO to consider a Phase One Proposal reflecting its concept for a project in response to a request for proposal (that is, a project that is “unsponsored”) must, before the deadline for the submission of Phase One Proposals, identify a Qualified Transmission Project Sponsor willing to submit a corresponding Phase One Proposal and Phase Two Solution (and to develop and construct the project, if selected in the competitive solution process) in order for the unsponsored project to be submitted in response to an ISO solicitation in Phase One. Upon request by the pertinent Planning Advisory Committee member for assistance in identifying a sponsor, the ISO shall post on its website and distribute to the Planning Advisory Committee a notice that solicits expressions of interest by Qualified Transmission Project Sponsors for sponsorship of the member’s conceptual project. All expressions of interest shall include a detailed explanation of why the Qualified Transmission Project Sponsor is best qualified to construct, own and operate the unsponsored project. If only one Qualified Transmission Project Sponsor expresses interest, the ISO shall designate it as the Qualified Transmission Project Sponsor. If more than one Qualified Transmission Project Sponsor expresses interest, the Planning Advisory Committee member shall select the Qualified Transmission Project Sponsor. In either case, the designated Qualified Transmission Project Sponsor shall thereafter comply

with the requirements of this Attachment K and the ISO Tariff with respect to the project. If no Qualified Transmission Project Sponsor expresses interest, the unsponsored project may not be submitted as a Phase One Proposal.

(b) Use and Control of Right of Way

Neither the submission of a project by a Qualified Transmission Project Sponsor nor the selection by the ISO of a project submitted by a Qualified Transmission Project Sponsor for inclusion in the RSP Project List shall alter a PTO's use and control of an existing right of way, the retention, modification, or transfer of which remain subject to the relevant law or regulation, including property or contractual rights, that granted the right-of-way. Nothing in the processes described in this Attachment K requires a PTO to relinquish any of its rights-of-way in order to permit a Qualified Transmission Project Sponsor to develop, construct or own a project.

(c) Information Required for Phase One Proposals; Study Deposit; Timing

Phase One Proposals shall provide the following information:

- (i) a detailed description of the proposed solution, in the manner specified by the ISO, including an identification of the proposed route for the solution and technical details of the project, such as interconnection into the existing transmission system;
- (ii) a detailed explanation of the identified needs that are addressed, how the proposed solution addresses those identified needs, a description of those needs which have not been addressed, and a description of the impact of the Phase One Proposal on those needs which have not been addressed;
- (iii) the proposed schedule, including key high-level milestones, for development, siting, procurement of real estate rights, permitting, construction and completion of the proposed solution;
- (iv) right, title, and interest in rights of way, substations, and other property or facilities, if any, that would contribute to the proposed solution or the means and timeframe by which such would be obtained; and

- (v) the estimated installed costs of the proposed solution, including a high-level itemization of the components of the cost estimate and any cost containment or cost cap measures.

With each proposal, the submitting Qualified Transmission Project Sponsor must include payment of a \$100,000 study deposit per submitted Phase One Proposal to support the cost of Phase One Proposal and Phase Two Solution study work by the ISO. The study deposit of \$100,000 shall be applied towards the costs incurred by the ISO associated with the study of the Phase One Proposal and Phase Two Solution.

Phase One Proposals must be submitted by the deadline specified in the public posting by the ISO of the request for proposal described in Section 4.3(a) of this Attachment, which shall not be less than 60 days from the posting date of the request for proposal. The ISO may reject submittals which are insufficient or not adequately supported.

(d) LSP Coordination

Qualified Transmission Project Sponsors of Phase One Proposals shall also identify any LSP plans that require coordination with their Phase One Proposals.

(e) Review of Phase One Proposals by ISO

If any identified need is only solved by the Backstop Transmission Solution, the ISO shall proceed under Section 4.2 of this Attachment, rather than pursuant to the procedures set forth in the remainder of this Section 4.3.

If all of the identified needs are solved by more than one Phase One Proposal, the ISO shall perform a review of each proposal to determine whether the proposed solution:

- (i) provides sufficient data and that the data is of sufficient quality to satisfy Section 4.3(c) of this Attachment;
- (ii) satisfies one or more of the needs as identified in Section 4.3(c)(ii);

(iii) is technically practicable and indicates possession of, or an approach to acquiring, the necessary rights of way, property and facilities that will make the proposal reasonably feasible in the required timeframe; and

(iv) is eligible to be constructed only by an existing PTO in accordance with Schedule 3.09(a) of the TOA because the proposed solution is an upgrade to existing PTO facilities, or because the costs of the proposed solution are not eligible for regional cost allocation under the OATT and will be allocated only to the local customers of a PTO.

(f) Proposal Deficiencies; Further Information

If the ISO identifies any minor deficiencies in meeting the requirements of Section 4.3(e) in the information provided in connection with a proposed Phase One Proposal, the ISO will notify the submitting Phase One Proposal Qualified Transmission Project Sponsor and provide an opportunity for the sponsor to cure the deficiencies within the timeframe specified by the ISO.

Upon request, Qualified Transmission Project Sponsors of Phase One Proposals shall provide the ISO with additional information reasonably necessary for the ISO's evaluation of the proposed Phase One Proposals. This identification and notification will occur prior to the publication by the ISO of any Phase One Proposals. In providing information under this subsection (f), or in Phase Two Solutions, the Qualified Transmission Project Sponsor may not modify its project materially or submit a new project, but instead may clarify its Phase One Proposal. Phase Two Solutions reflecting a material modification to a Phase One Proposal or representing a new project will be rejected.

(g) Listing of Qualifying Phase One Proposals or Groups of Phase One Proposals

The ISO will provide the Planning Advisory Committee with, and post on the ISO's website, a listing of Phase One Proposals that meet the criteria of Section 4.3(e). The listing will contain Phase One Proposals, either individually or as a group, that solve all of the identified needs. A meeting of the Planning Advisory Committee will be held thereafter in order to solicit stakeholder input on the listing, and the listed proposals. The ISO with input from the Planning Advisory Committee may exclude Phase One Proposals, from the list, and from consideration in Phase Two Solutions, based on a determination that the Phase One Proposal is not competitive with other Phase One Proposals, that have been submitted in terms of cost, electrical performance, future

system expandability, or feasibility. Information on Phase One Proposals containing CEII will be posted on the ISO's protected website consistent with Section 2.4(d) of this Attachment. The ISO may amend its listing based on stakeholder input. The ISO shall post on its website an explanation of why it has determined to exclude a Phase One Proposal from consideration in the Phase Two Solution process.

(h) Information Required for Phase Two Solutions; Identification and Reporting of Preliminary Preferred Phase Two Solution

Qualified Transmission Project Sponsors of Phase One Proposals reflected on the final listing developed pursuant to Section 4.3(g) of this Attachment shall provide the following information in their proposed Phase Two Solutions:

- (i) updates of the information provided in Phase One Proposals, or a certification that the information remains current and correct;
- (ii) list of required major Federal, State and local permits;
- (iii) description of construction sequencing, a conceptual plan for the anticipated transmission and generation outages necessary to construct the Phase Two Solution and their respective durations, and possible constraints;
- (iv) project schedule, with additional detail compared with Phase One Proposals, as specified by the ISO;
- (v) detailed cost component itemization and life-cycle cost including any clarifications to cost containment or cost cap measures that were not included as part of the Phase One Proposal;
- (vi) description of the financing being used;
- (vii) design and equipment standards to be used;

- (viii) description of the authority the Qualified Transmission Project Sponsor(s) has to acquire necessary rights of way;
- (ix) experience of the Qualified Transmission Project Sponsor(s) in acquiring rights of way;
- (x) status of acquisition of right, title, and interest in rights of way, substations, and other property or facilities, if any, that are necessary for the proposed Phase Two Solution;
- (xi) detailed explanation of project feasibility and potential constraints and challenges;
- (xii) description of the means by which the Qualified Transmission Project Sponsor(s) proposes to satisfy legal or regulatory requirements for siting, constructing, owning and operating transmission projects; and
- (xiii) detailed explanation of potential future expandability.

Phase Two Solutions must be submitted to the ISO by the deadline specified in the posting of the final listing (following stakeholder input) of Phase One Proposals described in Section 4.3(g). The deadline for submittal of Phase Two Solutions shall not be less than 60 days from the posting date of the final listing. The ISO may reject Phase Two Solution submittals which are insufficient or not adequately supported.

The ISO will identify the Phase Two Solution, individually or as a group, that offers the best combination of electrical performance, cost, future system expandability and feasibility to comprehensively address all of the needs in the required timeframe as the preliminary preferred Phase Two Solution in response to each request for proposal. The ISO will report the preliminary preferred Phase Two Solution, together with explanatory materials, to the Planning Advisory Committee and seek stakeholder input on the preliminary preferred Phase Two Solution.

The ISO will consider several factors during the evaluation process for identification of the preliminary preferred Phase Two Solution. These factors may include, but are not limited to, the following which are listed in no particular order:

- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;
- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;
- Loss savings;
- Replacement of aging infrastructure;
- Environmental impact;
- Design standards;
- Impact on NPCC Bulk Power System classification; and
- Qualified Transmission Project Sponsor(s) capabilities.

(i) Reimbursement of Phase Two Solution Costs; Collection and Refund of ISO Study Costs

Qualified Transmission Project Sponsors whose Phase One Proposals are listed pursuant to Section 4.3(g) for review as Phase Two Solutions shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff (and, as applicable, the TOA and NTDOA), all prudently incurred costs associated with developing a Phase Two Solution. PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a listed Phase One Proposal proposed by any other Qualified Transmission Project Sponsor.

Any difference between a Qualified Transmission Project Sponsor's study deposit and the actual cost of the Phase One Proposal and Phase Two Solution studies shall be paid by or refunded to the Qualified Transmission Project Sponsor, as appropriate, with interest calculated in accordance with Section 35.19a(a)(2) of the FERC regulations. Any refund payment shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any invoice to collect funds in addition to the deposit shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any disputes arising from the study process shall be addressed under the dispute resolution process specified in Section I.6 of the ISO Tariff.

(j) Selection of the Preferred Phase Two Solution

Following receipt of stakeholder input, the ISO will identify the preferred Phase Two Solution, individually or as a group, (with an overview of why the solution is preferred) by a posting on its website. The ISO's identification will select the project that offers the best combination of electrical performance, cost, future system expandability and feasibility to meet the need in the required timeframe. The ISO will also notify the Qualified Transmission Project Sponsor(s) that proposed the preferred Phase Two Solution that its project has been selected for development. The preferred Phase Two Solution may include an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases the ISO will notify the PTO that have upgrades required by the preferred Phase Two Solution to proceed in accordance with Schedule 3.09(a) of the Transmission Operating Agreement. Once the ISO has identified the preferred Phase Two Solution, any remaining Phase Two Solutions, along with the Backstop Transmission Solution, must stop all development. The ISO will include the project as a Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade, as appropriate, in the RSP and/or its Project List, as it is updated from time to time in accordance with this Attachment. Where external impacts of regional projects are identified through coordination by the ISO with neighboring entities, those impacts will be identified in the RSP. Costs associated with such impacts will be addressed as set forth in Schedule 15.

(k) Execution of Selected Qualified Transmission Project Sponsor Agreement

Within 30 days of receiving notification pursuant to Section 4.3(j) of this Attachment, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Phase Two Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of receiving notification pursuant to Section 4.3(j) of this Attachment, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Phase Two Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

(l) Failure to Proceed

If the ISO finds, after consultation with a PTO Qualified Transmission Project Sponsor(s), that one or more of the Qualified Transmission Project Sponsors is failing to pursue approvals or construction in a reasonably diligent fashion, the ISO will notify all Qualified Transmission Project Sponsors that one or more of the Qualified Transmission Project Sponsors is failing to pursue approvals or construction in a reasonably diligent fashion. The Qualified Transmission Project Sponsor(s) that is failing to pursue approvals or construction in a reasonably diligent fashion will have 60 days from the ISO's notification to reassign a portion or all of the preferred Phase Two Solution to another Qualified Transmission Project Sponsor in accordance with Section 8 of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). In the event that such reassignment does not occur within 60 days, the ISO shall require the applicable PTO(s) to execute the Selected Qualified Transmission Project Sponsor Agreement and implement the Backstop Transmission Solution pursuant to Schedule 3.09(a) of the Transmission Operating Agreement. In such cases the ISO shall prepare a report explaining why it has reassigned the project. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the report shall be consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO shall file its report (whether with respect to a PTO or non-PTO Qualified Transmission Project Sponsor) with the Commission.

(m) Cancellation of a Request for Proposal

The ISO may cancel a request for proposal at any time. Such cancellation may be due to new or different assumptions which may change or eliminate the identified needs. Any costs associated with solution development shall be recovered pursuant to Sections 3.6(c), 4.3(a) and 4.3(i) of this Attachment.

4A. Public Policy Transmission Studies; Public Policy Transmission Upgrades

4A.1 NESCOE Requests for Public Policy Transmission Studies

No less often than every three years, by January 15 of that year, the ISO will post a notice indicating that members of the Planning Advisory Committee may, no later than 45 days after the posting of the notice: (i) provide NESCOE, via the process described below, with input regarding state and federal Public Policy Requirements identified as driving transmission needs relating to the New England Transmission System, and regarding particular transmission needs driven by those Public Policy Requirements, and (ii) provide the ISO with input regarding local (e.g., municipal and county) Public Policy Requirements identified as driving transmission needs relating to the New England Transmission System, and regarding particular transmission needs driven by those Public Policy Requirements. A meeting of the Planning Advisory Committee may be held for this purpose. Members of the Planning Advisory Committee shall direct all such input related to state, federal, and local Public Policy Requirements that drive transmission needs to the ISO and the ISO will post such input on the ISO's website. By no later than May 1 of that year, NESCOE may submit to the ISO in writing a request for a new Public Policy Transmission Study, or an update of a previously conducted study. The request will identify the Public Policy Requirements identified as driving transmission needs relating to the New England Transmission System, and may identify particular NESCOE-identified public policy-related transmission needs as well. Along with any such request, NESCOE will provide the ISO with a written explanation of which transmission needs driven by state or federal Public Policy Requirements the ISO will evaluate for potential solutions in the regional planning process, including why other suggested transmission needs will not be evaluated. The ISO will post the NESCOE request and explanation on the ISO's website. If NESCOE does not provide that listing of identified transmission needs (which may consist of a NESCOE statement of its determination that no transmission needs are driven by state or federal Public Policy Requirements identified during the stakeholder process) and that explanation (which may consist of a NESCOE explanation of why

no transmission needs are driven by state or federal Public Policy Requirements identified during the stakeholder process), the ISO will note on its website that a NESCOE listing and explanation have not been provided. In that circumstance, the ISO will determine subsequently (after opportunity for Planning Advisory Committee input), and post on its website an explanation of, which transmission needs driven by state or federal Public Policy Requirements the ISO will evaluate in the regional planning process, including why other suggested transmission needs will not be evaluated.

4A.1.1 Study of Federal Public Policy Requirements Not Identified by NESCOE; Local Public Policy Requirements

If a stakeholder believes that a federal Public Policy Requirement that may drive transmission needs relating to the New England Transmission System has not been appropriately addressed by NESCOE, it may file with the ISO, no later than 15 days after the posting of NESCOE's explanation as described in Section 4A.1 of this Attachment, a written request that explains the stakeholder's reasoning and that seeks reconsideration by the ISO of NESCOE's position regarding that requirement. The ISO will post the stakeholder's written request on the ISO's website. Where the ISO agrees with a stated stakeholder position, or on its own finding, the ISO may perform an evaluation under Sections 4A.2 through 4A.4 of this Attachment of a federal Public Policy Requirement not otherwise identified by NESCOE. The ISO will post on its website an explanation of those transmission needs driven by federal Public Policy Requirements not identified by NESCOE that will be evaluated for potential transmission solutions in the regional system planning process, and why other suggested transmission needs driven by federal Public Policy Requirements not identified by NESCOE will not be evaluated. In addition, the ISO will post on its website an explanation of those transmission needs driven by local Public Policy Requirements that will be evaluated for potential transmission solutions in the regional system planning process, and why other suggested transmission needs driven by local Public Policy Requirements will not be evaluated.

4A.2 Preparation for Conduct of Public Policy Transmission Studies; Stakeholder Input

Upon receipt of the NESCOE request, or as the result of the ISO's consideration of a federal or local Public Policy Requirement pursuant to Section 4A.1.1, the ISO will prepare and post on its website a proposed scope for the Public Policy Transmission Study, and associated parameters

and assumptions (including resource assumptions), and provide the foregoing to the Planning Advisory Committee by no later than September 1 of the request year. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input for consideration by the ISO on the study's scope, parameters and assumptions.

4A.3 Public Policy Transmission Studies

(a) Conduct of Public Policy Transmission Studies; Stakeholder Input

With input from Planning Advisory Committee and potentially impacted PTOs, the ISO will perform the initial phase of the Public Policy Transmission Study to develop a rough estimate of the costs and benefits of high-level concepts that could meet transmission needs driven by Public Policy Requirements. The study's results will be posted on the ISO's website, and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input on the results of the initial phase of the study, and the scope, parameters and assumptions (including resource assumptions) for any follow-on phase of the study. The ISO may – as a follow-on phase of the Public Policy Transmission Study – perform more detailed analysis and engineering work on the high-level concepts.

(b) Treatment of Market Solutions in Public Policy Transmission Studies

The ISO shall reflect proposed market responses in the Public Policy Transmission Study. Market responses may include, but are not limited to, resources (e.g., demand-side projects and distributed generation), Merchant Transmission Facilities and Elective Transmission Upgrades.

In performing Public Policy Transmission Studies, the ISO shall rely on certain resources to prevent the identification of transmission needs driven by Public Policy Requirements. Specifically, the ISO shall incorporate in the Public Policy Transmission Study information regarding future resources, with the exception of imports across external tie lines, that have been proposed and (i) have cleared in a Forward Capacity Auction pursuant to Market Rule 1 of the ISO Tariff, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) have been forecast in the ISO's Forecast Report of Capacity, Energy, Loads and Transmission. The ISO shall also incorporate or update information regarding all existing resources, with the exception of imports across external tie lines, in Public Policy Transmission Studies. Imports across future or

existing external tie lines will not be relied upon unless such imports (i) have a Capacity Supply Obligation corresponding to the year of study, (ii) have been selected in, and are contractually bound by, a state-sponsored request for proposals, (iii) have a financially binding obligation pursuant to a contract, or (iv) may be represented by a minimum flow based on HQ Interconnection Capability Credits. The ISO will model out-of-service all submitted Retirement De-List Bids, submitted Permanent De-List Bids, and demand bids that have cleared in a substitution auction, and may model out-of-service rejected-for-reliability Static De-List Bids and rejected-for-reliability Dynamic De-List Bids from the most recent Forward Capacity Auction. With respect to having been selected in, and being contractually bound by a state-sponsored request for proposals, or having a financially binding obligation pursuant to a contract, demonstration of such contracts is accomplished through submittal for ISO review of an order or other similar authorization from the appropriate state regulatory agency, along with a copy of the contract, that together demonstrate the contractual requirements. These documents may be submitted by: the Project Sponsor; the state regulatory agency authorizing the contract; a transmission company that is a counterparty to the contract; or by a third-party organization representing the interests of the New England states regarding energy related issues, such as NESCOE. The ISO shall incorporate information regarding a proposed Merchant Transmission Facility or Elective Transmission Upgrade in a Public Policy Transmission Study at a time after the studies corresponding to the Merchant Transmission Facility or Elective Transmission Upgrade are completed (including receipt of approval under Section I.3.9 of the Tariff), and a commercial operation date has been ascertained, with the exception of Elective Transmission Upgrades that are proposed in conjunction with the interconnection of a resource, which shall be considered at the same time as the proposed resource is considered in the Public Policy Transmission Study.

4A.4 Response to Public Policy Transmission Studies

The results of the Public Policy Transmission Study will be provided to the Planning Advisory Committee and posted on the ISO's website, and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input for the ISO on those results, including any updates from the states on any methods by which they are satisfying their respective Public Policy Requirements included in the Public Policy Transmission Study. The ISO's costs of performing the Public Policy Transmission Study described in Section 4A.3 will be collected by

the ISO pursuant to Schedule 1 of Section IV.A of the Tariff. Any prudently incurred PTO costs for assistance requested by the ISO to support the Public Policy Transmission Study will be recovered by the applicable PTO(s) in accordance with Attachment F and Schedule 21 of the Tariff.

The ISO will evaluate the input from the Planning Advisory Committee and provide the results of the Public Policy Transmission Study to Qualified Transmission Project Sponsors for their use in preparing Stage One Proposals to develop, build and operate one or more projects consistent with the general design requirements identified by the ISO in the study.

4A.5 Use and Control of Right of Way

Neither the submission of a project by a Qualified Transmission Project Sponsor nor the selection by the ISO of a project submitted by a Qualified Transmission Project Sponsor for inclusion in the RSP Project List shall alter a PTO's use and control of an existing right of way, the retention, modification, or transfer of which remain subject to the relevant law or regulation, including property or contractual rights, that granted the right-of-way. Nothing in the processes described in this Attachment K requires a PTO to relinquish any of its rights-of-way in order to permit a Qualified Transmission Project Sponsor to develop, construct or own a project.

4A.6 Stage One Proposals

(a) Information Required for Stage One Proposals

The ISO will publicly post on its website a request for proposal inviting, for each high-level general project concept identified by the ISO pursuant to Section 4A.3(a) above, Qualified Transmission Project Sponsors to submit (by the deadline specified in the request for proposal, which shall be not less than 60 days from the date of posting the request for proposal) an individual or joint Stage One Proposal. In the case where a joint Stage One Proposal is submitted, all parties must be Qualified Transmission Project Sponsors. The following information must be provided as part of the Stage one Proposal:

- (i) a detailed description of the proposed solution, in the manner specified by the ISO, including an identification of the proposed route for the solution and technical details of the project, such as interconnection into the existing transmission system;

- (ii) a detailed explanation of how the proposed solution addresses the identified need;
- (iii) the proposed schedule, including key high-level milestones, for development, siting, procurement of real estate rights, permitting, construction and completion of the proposed solution;
- (iv) right, title, and interest in rights of way, substations, and other property or facilities, if any, that would contribute to the proposed solution or the means and timeframe by which such would be obtained; and
- (v) the estimated installed costs of the proposed solution, including a high-level itemization of the components of the cost estimate, and any cost containment or cost cap measures.

A Qualified Transmission Project Sponsor may submit a proposed solution that includes an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the Qualified Transmission Project Sponsor's proposed solution relating to the upgrade(s) of an existing transmission system element(s) must provide all data available to the Qualified Transmission Project Sponsor as part of its response to the request for proposal. The Qualified Transmission Project Sponsor is not required to procure agreements with the PTO for implementation of such upgrades as the PTO is required to implement the upgrade(s) in accordance with Schedule 3.09(a) of the Transmission Operating Agreement if the proposed solution is selected through the competitive process.

A member of the Planning Advisory Committee that is not a Qualified Transmission Project Sponsor but would like the ISO to consider a Stage One Proposal reflecting its concept for a project in response to a request for proposal (that is, a project that is "unsponsored") must identify a Qualified Transmission Project Sponsor willing to submit a corresponding Stage One Proposal and Stage Two Solution (and to develop and construct the project, if selected in the competitive solution process) in order for the unsponsored project to be submitted in response to an ISO solicitation in Stage One Proposal. Upon request of the pertinent Planning Advisory Committee member for assistance in identifying a sponsor, the ISO shall post on its website and distribute to the Planning Advisory Committee a notice that solicits expressions of interest by Qualified Transmission Project Sponsors for sponsorship of the member's conceptual project. All expressions of interest shall include a detailed explanation of why the Qualified Transmission

Project Sponsor is best qualified to construct, own and operate the unsponsored project. If only one Qualified Transmission Project Sponsor expresses interest, the ISO shall designate it as the Qualified Transmission Project Sponsor. If more than one Qualified Transmission Project Sponsor expresses interest, the Planning Advisory Committee member shall select the Qualified Transmission Project Sponsor. In either case, the designated Qualified Transmission Project Sponsor shall thereafter comply with the requirements of this Attachment K and the ISO Tariff with respect to the project. If no Qualified Transmission Project Sponsor expresses interest, the unsponsored project may not be submitted as a Stage One Proposal.

With each proposal, the submitting Qualified Transmission Project Sponsor must include payment of a \$100,000 study deposit per submitted project to support the cost of Stage One Proposal and Stage Two Solution study work by the ISO. The study deposit of \$100,000 shall be applied towards the costs incurred by the ISO associated with the study of the Stage One Proposal and Stage Two Solution.

(b) LSP Coordination

Qualified Transmission Project Sponsors of Stage One Proposals shall also identify any LSP plans that require coordination with their Stage One Proposals.

(c) Review of Stage One Proposals by ISO

Upon receipt of Stage One Proposals, the ISO shall perform a review of each proposal to determine whether the proposed solution:

- (i) provides sufficient data and that the data is of sufficient quality to satisfy Section 4A.6(a);
- (ii) satisfies the needs driven by Public Policy Requirements identified in the request for proposal, as reflected in the Public Policy Transmission Study;
- (iii) is technically practicable and indicates possession of, or an approach to acquiring, the necessary rights of way, property and facilities that will make the proposal reasonably feasible in the required timeframe; and;
- (iv) is eligible to be constructed only by an existing PTO in accordance with Schedule 3.09(a) of the TOA because the proposed solution is an upgrade to existing PTO facilities or

because the costs of the proposed solution are not eligible for regional cost allocation under the OATT and will be allocated only to the local customers of a PTO.

(d) Proposal Deficiencies; Further Information

If the ISO identifies any deficiencies (compared with the requirements of Section 4A.6(a)) in the information provided in connection with a proposed Stage One Proposal, the ISO will notify the Stage One Proposal Qualified Transmission Project Sponsor and provide an opportunity for the Qualified Transmission Project Sponsor to cure the deficiencies within the timeframe specified by the ISO. Upon request, Qualified Transmission Project Sponsors of Stage One Proposals shall provide the ISO with additional information reasonably necessary for the ISO's evaluation of the proposed solutions. This identification and notification will occur prior to the publication by the ISO of any Stage One Proposals. In providing information under this subsection (d), or in Stage Two Solutions, the Qualified Transmission Project Sponsor may not modify its project materially or submit a new project, but instead may clarify its project. Stage Two Solutions reflecting a material modification to a Stage One Proposal or representing a new project will be rejected.

(e) List of Qualifying Stage One Proposals

The ISO will provide the Planning Advisory Committee with, and post on the ISO's website, a list of Stage One Proposals that meet the criteria of Section 4A.6(c). A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input for the ISO on that list. The ISO shall also indicate whether any of the Stage One Proposals may also satisfy identified reliability needs of the system. The ISO with input from the Planning Advisory Committee may exclude Stage One Proposals from the list, and from consideration in Stage Two Solutions, based on a determination that the Stage One Proposal is not competitive with other Stage One Proposals that have been submitted in terms of cost, electrical performance, future system expandability, or feasibility. Information on Stage One Proposals containing CEII will be posted on the ISO's protected website consistent with Section 2.4(d) of this Attachment. The ISO may amend its listing based on stakeholder input.

4A.7 Reimbursement of Stage One Proposal and Stage Two Solution Costs; Collection and Refund of ISO Study Costs

Qualified Transmission Project Sponsors that are requested by NESCOE in writing or by one or more states' governors or regulatory authorities directly to submit a Stage One Proposal shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff and the TOA, their prudently incurred costs from the Regional Network Load of the states identified by NESCOE in the written communication as having made the request or from the Regional Network Load of the states that made the request directly. Stage One Proposal costs shall otherwise not be subject to recovery under the ISO Tariff.

Qualified Transmission Project Sponsors whose projects are listed by the ISO pursuant to Section 4A.6(e) shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff and, as applicable, the TOA and NTDOA, all prudently incurred costs associated with developing a Stage Two Solution. PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a listed Stage Two Solution proposed by any other Qualified Transmission Project Sponsor.

Any difference between a Qualified Transmission Project Sponsor's study deposit and the actual cost of the Stage One Proposal and Stage Two Solutions studies shall be paid by or refunded to the Qualified Transmission Project Sponsor, as appropriate, with interest calculated in accordance with Section 35.19a(a)(2) of the FERC regulations. Any refund payment shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any invoice to collect funds in addition to the deposit shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any disputes arising from the study process shall be addressed under the dispute resolution process specified in Section I.6 of the Tariff.

4A.8 Information Required for Stage Two Solutions; Identification and Reporting of Preliminary Preferred Stage Two Solution

Qualified Transmission Project Sponsors of Stage One Proposals listed pursuant to Section 4A.6(e) of this Attachment shall provide the following information in their proposed Stage Two Solutions:

- (i) updates of the information provided in Stage One Proposals, or a certification that the information remains current and correct;
- (ii) list of required major Federal, State and local permits;
- (iii) description of construction sequencing, a conceptual plan for the anticipated transmission and generation outages necessary to construct the Stage Two Solution and their respective durations, and possible constraints;
- (iv) project schedule, with additional detail compared with Stage One Proposals, as specified by the ISO;
- (v) detailed cost component itemization and life-cycle cost including any clarifications to cost containment or cost cap measures that were not included as part of the Stage One Proposal;
- (vi) description of the financing being used;
- (vii) design and equipment standards to be used;
- (viii) description of the authority the Qualified Transmission Project Sponsor(s) has to acquire necessary rights of way;
- (ix) experience of the Qualified Transmission Project Sponsor(s) in acquiring rights of way;
- (x) status of acquisition of right, title, and interest in rights of way, substations, and other property or facilities, if any, that are necessary for the proposed Stage Two Solution;
- (xi) detailed explanation of project feasibility and potential constraints and challenges;

- (xii) description of the means by which the Qualified Transmission Project Sponsor(s) proposes to satisfy legal or regulatory requirements for siting, constructing, owning and operating transmission projects; and
- (xiii) detailed explanation of potential future expandability.

Stage Two Solutions must be submitted to the ISO by the deadline specified in the posting of the final listing (following stakeholder input) of Stage One Proposals described in Section 4A.6(e). The deadline for submittal of Stage Two Solutions shall not be less than 60 days from the posting date of the final listing. The ISO may reject Stage Two Solution submittals which are insufficient or not adequately supported.

The ISO will consider several factors during the evaluation process for identification of the preliminary preferred Stage Two Solution. These factors may include, but are not limited to, the following which are listed in no particular order:

- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;
- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;
- Loss savings;
- Replacement of aging infrastructure;

- Environmental impact;
- Design standards;
- Impact on NPCC Bulk Power System classification; and
- Qualified Transmission Project Sponsor(s) capabilities

The ISO will report the preliminary preferred Stage Two Solution(s), along with its views as to whether the preliminary preferred solution(s) also satisfies identified reliability needs of the system, to the Planning Advisory Committee and seek stakeholder input on the preliminary preferred Stage Two Solution(s).

4A.9 Inclusion of Public Policy Transmission Upgrades in the Regional System Plan and RSP Project List; Milestone Schedules; Removal from RSP Project List

(a) Inclusion of Public Policy Transmission Upgrades in the Regional System Plan and RSP Project List

Following receipt of stakeholder input, the ISO will identify the preferred Stage Two Solution (with an overview of why the solution is preferred) by a posting on its website. The ISO's identification will select the Stage Two Solution that best addresses the identified Public Policy Requirement while utilizing the best combination of electrical performance, cost, future system expandability and feasibility to meet the need in the required timeframe. The ISO will also notify the Qualified Transmission Project Sponsor that proposed the preferred Stage Two Solution that its project has been selected for development, and include the project as a Public Policy Transmission Upgrade in the Regional System Plan and RSP Project List, as it is updated from time to time in accordance with this Attachment. The preferred Stage Two Solution may include an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases the ISO will notify the PTO that have upgrades required by the preferred Stage Two Solution to proceed in accordance with Schedule 3.09(a) of the Transmission Operating Agreement. Once the ISO has identified the preferred Stage Two Solution, any remaining Stage Two Solutions must stop all development. Where external impacts of regional Public Policy Transmission Upgrades are identified through

coordination by the ISO with neighboring entities, those impacts will be identified in the RSP. Costs associated with such impacts will be addressed as set forth in Schedule 15.

(b) Execution of Selected Qualified Transmission Project Sponsor Agreement

Within 30 days of its receiving notification pursuant to Section 4A.9(a) of this Attachment, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Stage Two Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of receiving notification pursuant to Section 4A.9(a) of this Attachment, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Stage Two Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included each Selected Qualified Transmission Project Sponsor Agreement.

(c) Failure to Proceed

If the ISO finds, after consultation with a Qualified Transmission Project Sponsor, that the sponsor is failing to pursue approvals or construction in a reasonably diligent fashion, or that one or more of the Qualified Transmission Project Sponsors is unable to proceed with the project due to forces beyond its reasonable control, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report, including a proposed course of action. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. The proposed course of action may include, for example, a consideration and selection of another Stage Two Proposal relating to the pertinent Public Policy Requirement, or the re-solicitation of Stage One Proposals to meet the pertinent Public Policy Requirement. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO

shall file its report (whether with respect to a PTO or a non-PTO Qualified Transmission Project Sponsor) with the Commission.

4A.10 Cancellation of a Request for Proposal

The ISO may cancel a request for proposal at any time. Such cancellation may be due to new or different assumptions which may change or eliminate the identified needs. Any costs associated with solutions development shall be recovered pursuant to Sections 3.6(c) and 4A.7 of this Attachment.

4A.11 Local Public Policy Transmission Upgrades

The costs of Local Public Policy Transmission Upgrade(s) that are required in connection with the construction of a Public Policy Transmission Upgrade approved for inclusion in the Regional System Plan in accordance with Section 4A.9 shall be allocated in accordance with Schedule 21 of the ISO OATT.

4B. Qualified Transmission Project Sponsors

4B.1 Evaluation of Applications

The ISO will evaluate applications submitted by an entity that seeks to qualify as a sponsor of a proposed Reliability Transmission Upgrade, Market Efficiency Transmission Upgrade, Public Policy Transmission Upgrade, or Longer-Term Transmission Upgrade.

4B.2 Information To Be Submitted

The application to be submitted to the ISO by an entity desiring to be a Qualified Transmission Project Sponsor will include the following information:

- (i) the current and expected capabilities of the applicant to finance and construct a Reliability Transmission Upgrade, Market Efficiency Transmission Upgrade, Public Policy Transmission Upgrade, or Longer-Term Transmission Upgrade, and operate and maintain it for the life of the project;
- (ii) the financial resources of the applicant;
- (iii) the technical and engineering qualifications and experience of the applicant;

- (iv) if applicable, the previous record of the applicant regarding construction and maintenance of transmission facilities;
- (v) demonstrated capability of the applicant to adhere to construction, maintenance and operating Good Utility Practices, including the capability to respond to outages;
- (vi) the ability of the applicant to comply with all applicable reliability standards; and
- (vii) demonstrated ability of the applicant to meet development and completion schedules.

4B.3 Review of Qualifications

The ISO shall review each application for completeness. The ISO will notify each applicant within 30 calendar days of receipt of such application whether the application is complete, or identify any deficiencies in provision of the information required by Section 4B.2 of this Attachment. An applicant notified of deficiencies must provide any remedial information within 30 calendar days of the receipt of such notice. Thereafter, the ISO will determine whether the applicant is physically, technically, legally, and financially capable of constructing a Reliability Transmission Upgrade, Market Efficiency Transmission Upgrade, Public Policy Transmission Upgrade, or Longer-Term Transmission Upgrade in a timely and competent manner, and operating and maintaining the facilities consistent with Good Utility Practice and applicable reliability criteria for the life of the project, and use its best efforts to inform the applicant within 90 days from the date on which it has a completed application on file with the ISO whether it has met all of these criteria. A PTO determined by the ISO to meet all of these criteria will be deemed a Qualified Transmission Project Sponsor. A non-PTO entity determined by the ISO to meet all of these criteria will, upon its execution of the Non-incumbent Transmission Developer Operating Agreement (in the form specified in Attachment O of the OATT) and the Market Participant Service Agreement, be deemed a Qualified Transmission Project Sponsor.

4B.4 List of Qualified Transmission Project Sponsors

Qualified Transmission Project Sponsors are listed in Appendix 3 of this Attachment K.

4B.5 Annual Certification

Each Qualified Transmission Project Sponsor shall submit to the ISO annually a certification that the information initially submitted in response to Section 4B.2 of this Attachment K has not changed adversely in a material fashion, or (if a material adverse change has occurred in the

intervening year) submit instead a new application for qualification as a project sponsor. In the latter case, the entity shall not be a Qualified Transmission Project Sponsor unless and until the ISO approves its new application.

5. Supply of Information and Data Required for Regional System Planning

The Transmission Owners, Generator Owners, Transmission Customers, Market Participants and other entities requesting transmission or interconnection service or proposing the integration of facilities to PTF in the New England Transmission System or alternatives to such facilities, and stakeholders requesting a Needs Assessment pursuant to Section 4.1 of this Attachment, shall supply, as required by the Tariff, the Participants Agreement, MPSAs, applicable transmission operating agreements, and/or other existing agreements, protocols and procedures, or upon request by the ISO, and subject to required CEII and confidentiality protections as specified in Section 2.4 of this Attachment, any information (including cost estimates) and data that is reasonably required to prepare an RSP or perform a Needs Assessment, Solutions Study, or any other study performed under this Attachment K.

6. Regional, Local and Interregional Coordination

6.1 Regional Coordination

The ISO shall conduct the regional system planning process for the PTF in coordination with the transmission-owning entities in, or other entities interconnected to, the New England Transmission System consistent with the rights and obligations defined in the ISO OATT, applicable transmission operating agreements or protocols, and/or this Attachment. Pursuant to Section II.49 of this OATT and Sections 3.02, 3.05 and 3.09 of the TOA, the ISO has Operating Authority or control over all PTF and Non-PTF within the New England Control Area, which are utilized for the provision of transmission service under this OATT. The ISO also has Operating Authority or control over the United States portions of the HVDC ties to Quebec and over Merchant Transmission Facilities and Other Transmission Facilities, pursuant to this OATT or applicable transmission operating agreements or protocols. The ISO, however, is not responsible for the planning of the Non-PTF, OTF and MTF. As provided in Section 6.2 and Appendix 1 of this Attachment, the PTOs are responsible for the planning of the Non-PTF and coordinating such planning efforts with the ISO. Pursuant to the OATT and/or applicable transmission operating agreements or protocols, the transmission owners of OTF and MTF are required to participate in the ISO's regional system planning process and perform and/or support studies of the impacts of regional system projects on their respective facilities.

6.2 Local Coordination

The regional system planning process shall be conducted and the RSP shall be developed in coordination with the local system plans of the PTOs. In accordance with the TOA and OATT provisions identified in Section 6.1 of this Attachment, the PTOs have responsibility for planning Non-PTF. The PTOs conduct planning of Non-PTF using the LSP process outlined in Section 2.5 and Appendix 1 of this Attachment, in coordination with the ISO, other entities interconnected with the New England Transmission System, Transmission Customers and stakeholders, and in accordance with the provisions in the TOA, the OATT and the Planning and Reliability Criteria. The openness and transparency of the LSP process is intended to be consistent with the regional system planning process.

6.3 Interregional Coordination

The regional system planning process shall be conducted and the RSP shall be developed in coordination with the similar plans of the surrounding ISOs/RTOs and Control Areas pursuant to the Northeastern Planning Protocol and other agreements with neighboring systems (including entities that are not Parties to the Northeastern Planning Protocol) and NPCC.

(a) Interregional Coordination and Cost Allocation Among ISO, New York Independent System Operator, Inc. (“NYISO”) and PJM Interconnection, L.L.C. (“PJM”) Under Order No. 1000

Pursuant to Section 7 of the Northeastern Planning Protocol (which is posted on the web at www.iso-ne.com/static-assets/documents/2015/07/northeastern_protocol_dmeast.doc, the Joint ISO/RTO Planning Committee (“JIPC”) reviews regional needs and solutions identified in the regional planning processes of the ISO, NYISO and PJM in order to identify, with input from the Interregional Planning Stakeholder Advisory Committee (“IPSAC”), the potential for Interregional Transmission Projects that could meet regional needs more efficiently or cost-effectively than regional transmission projects. All members of the Planning Advisory Committee shall be considered IPSAC members. The JIPC will coordinate studies deemed necessary to allow the effective consideration by the regions, in the same general timeframe, of a proposed Interregional Transmission Project in comparison to regional transmission solutions. Any stakeholder may propose in the New England planning process, for evaluation under Section 4.2, 4.3, or 4A (as applicable) of Attachment K, an Interregional Transmission Project (or project

concept) that may be more efficient or cost-effective than a regional transmission solution. If a proposed Interregional Transmission Project is approved in each region in which the project is located, the corresponding New England regional transmission project(s) will be displaced in the circumstances described in Section 3.6(a) of this Attachment, and the costs of the Interregional Transmission Project will be allocated among the regions based on the formula provided in Schedule 15 of this OATT, or in accordance with another funding arrangement filed with and accepted by the Commission. The amount of the costs of an Interregional Transmission Project allocated as the responsibility of New England pursuant to the methodology referenced in Section 6.3(a) of this Attachment shall be allocated within New England as specified in Schedule 15 of the ISO OATT.

(b) Other Interregional Assessments and Other Interregional Transmission Projects

Interregional system assessments and/or interregional system expansion planning studies may be performed periodically by the ISO with Planning Authorities who are not parties to the Northeastern Planning Protocol, or with the JIPC pursuant to Section 6 of the Northeastern Planning Protocol, or both. The ISO shall convene periodic meetings of the Planning Advisory Committee (which may be combined with meetings of the IPSAC), to provide input and feedback to the ISO concerning such assessments and studies. To the extent that an Interregional Transmission Project is agreed to by ISO and by another region (not a Party to the Northeastern Planning Protocol) in which a portion of the project is located, the related cost allocation and operating agreements will be filed with the Commission (and, as applicable, with Canadian jurisdictional agencies) in accordance with existing filing rights.

7. Procedures for Development and Approval of the RSP

7.1 Initiation of RSP

No less often than once every three years, the ISO shall initiate an effort to develop its RSP and solicit input on regional system needs for the RSP from the Planning Advisory Committee. The Planning Advisory Committee shall meet to perform its respective functions in connection with the preparation of the RSP, as specified in Section 2 of this Attachment. The ISO shall issue the periodic planning reports that support the RSP, such as Needs Assessments, as those reports are completed.

7.2 Draft RSP; Public Meeting

The ISO shall provide a draft of the RSP to the Planning Advisory Committee and input from that Committee shall be received and considered in preparing and revising subsequent drafts. The ISO shall post the draft RSP and provide notice to the Planning Advisory Committee of a meeting to review the draft RSP as specified in Section 2.2 of this Attachment.

After the ISO has provided a draft of the RSP to the Planning Advisory Committee, the ISO shall issue a second draft of the RSP to be presented by the ISO staff to the ISO Board of Directors for approval. The draft RSP shall incorporate the results of any Needs Assessment, and corresponding Solutions Studies, performed since the last RSP was approved. A subcommittee of that Board shall hold a public meeting, at their discretion, to receive input directly and to discuss any proposed revisions to the RSP. The final recommended RSP shall be presented to the ISO Board of Directors and shall be acted on by the ISO Board of Directors within 60 days of receipt. The foregoing timeframes are subject to adjustment as determined by the ISO in coordination with the Planning Advisory Committee.

7.3 Action by the ISO Board of Directors on RSP; Request for Alternative Proposals

(a) Action by ISO Board of Directors on RSP

The ISO Board of Directors may approve the recommended draft RSP as submitted, modify the RSP or remand all or any portion of it back with guidance for development of a revised recommendation. The Board of Directors may consider the RSP in executive session, and shall consider in its deliberations the views of the subcommittee of the Board of Directors reflecting the public meeting held pursuant to Section 7.2 of this Attachment. In considering whether to approve the draft RSP, the Board of Directors may, if it finds a proposed Reliability Benefit Upgrade not to be viable, or if no Reliability Benefit Upgrade has been proposed, direct the ISO staff to meet with the affected load serving entities and State entities in order to develop an interim solution. Should that effort fail, and as a last resort, the Board of Directors may direct the ISO to issue a Request For Alternative Proposal (“RFAP”), subject to the procedures described below, and may withhold approval of the draft RSP, or portions thereof, pending the results of that RFAP and any Commission action on any resulting jurisdictional contract or funding mechanism. The ISO shall provide a written explanation as to any subsequent changes or modification made in the final version of the RSP.

(b) Requests For Alternative Proposals

(i) The RFAP shall seek generation, demand-side and merchant transmission alternatives that can be implemented rapidly and provide substantial reliability benefits over the period solicited in the RFAP, and normally will focus on an interim (“gap”) solution until an identified Reliability Transmission Upgrade has been placed in-service. The ISO will file a proposed RFAP with the Commission for approval at least 60 days prior to its issuance. The filing shall explain why the issuance of an RFAP is necessary.

(ii) The ISO staff shall provide the Board of Directors and subject to confidentiality requirements, the Planning Advisory Committee with an analysis of the alternatives offered in response to the RFAP, and provide a recommendation together with a funding mechanism reflecting input from the Planning Advisory Committee.

(iii) The ISO may enter into contracts awarded pursuant to an RFAP process, and/or propose a funding mechanism. Bidders that are awarded contracts through the RFAP process shall file those contracts with the Commission for approval of the rates to be charged thereunder to the extent that such contracts are for services that are jurisdictional to the Commission. The ISO shall file related or separate funding mechanisms with the Commission as well. All other contracts entered into pursuant to an RFAP shall be filed with the Commission for informational purposes.

(iv) The Board of Directors will reflect the results of the RFAP process in the approved RSP.

8. Obligations of PTOs to Build; PTOs’ Obligations, Conditions and Rights

In accordance with the TOA, PTOs designated by the ISO as the appropriate entities to construct and own or finance Transmission Upgrades included in the RSP shall construct and own or finance such facilities or enter into appropriate contracts to fulfill such obligations. In the event that a PTO: (i) does not construct or indicates in writing that it does not intend to construct a Transmission Upgrade included in the RSP; or (ii) demonstrates that it has failed (after making a good faith effort) to obtain necessary approvals or property rights under applicable law, the ISO shall promptly file with the Commission a report on the results of the planning process, which report shall include a report from the PTO responsible for the planning, design or construction of such Open Access Transmission Tariff Section II – Attachment

K – Regional System Planning Process Transmission Upgrade, in order to permit the Commission to determine what action, if any, it should take.

In connection with regional system planning, the ISO will not propose to impose on any PTO obligations or conditions that are inconsistent with the explicit provisions of the TOA or deprive any PTO of any of the rights set forth in the TOA.

Subject to necessary approvals and compliance with Section 2.06 of the TOA, nothing in this OATT shall affect the right of any PTO to expand or modify its transmission facilities in the New England Transmission System on its own initiative or in response to an order of an appropriate regulatory authority. Such expansions or modifications shall conform with: (a) Good Utility Practice; (b) applicable reliability principles, guidelines, criteria, rules, procedures and standards of national, regional, and local reliability councils that may be in existence; and (c) the ISO and relevant PTO criteria, rules, standards, guides and policies. The ISO reserves its right to challenge the permitting of such expansions or modifications.

9. Merchant Transmission Facilities

9.1 General

Subject to compliance with the requirements of the Tariff and any other applicable requirements with respect to the interconnection of bulk power facilities with the New England Transmission System, any entity shall have the right to propose and construct the addition of transmission facilities (“Merchant Transmission Facilities”), none of the costs of which shall be covered under the cost allocation provisions of this OATT. Any such Merchant Transmission Facilities shall be subject to the requirements of Section 9.2 of this Attachment. In performing studies in connection with the RSP, the prospect that proposed Merchant Transmission Facilities will be completed shall be accounted for as will the prospect that proposed generating units will be completed.

9.2 Operation and Integration

All Merchant Transmission Facilities shall be subject to: (i) an agreement to transfer to the ISO operational control authority over any facilities which constitute part of the Merchant Transmission Facilities that are to be integrated with, or that will affect, the New England Transmission System; and (ii)

taking such other action as may be required to make the facility available for use as part of the New England Transmission System.

9.3 Control and Coordination

Until such time as a Merchant Transmission Owner has transferred operational control over its Merchant Transmission Facilities to the ISO pursuant to Section 9.2(i), all such Merchant Transmission Facilities shall be subject to the operational control, scheduling and maintenance coordination of the System Operator in accordance with the Tariff.

10. Cost Responsibility for Transmission Upgrades

The cost responsibility for each upgrade, modification or addition to the transmission system in New England that is included with the status of “Planned” in the RSP Project List as defined in Section 3.6 of this Attachment shall be determined in accordance with Schedule 12 of this OATT.

11. Allocation of ARRs

The allocation of ARRs in connection with Transmission Upgrades is addressed in Section III.C.8 of the Tariff.

12. Dispute Resolution Procedures

12.1 Objective

Section 12 of this Attachment sets forth a dispute resolution process (the “Regional Planning Dispute Resolution Process”) through which regional transmission planning-related disputes may be resolved as expeditiously as possible.

12.2 Confidential Information and CEII Protections

All information disclosed in the course of the Regional Planning Dispute Resolution Process shall be subject to the protection of confidential information and CEII consistent with the ISO New England Information Policy and CEII policy.

12.3 Eligible Parties

Any member of the Planning Advisory Committee that has been adversely affected by a Reviewable Determination, defined in Section 12.4(a) of this Attachment, with respect to the regional system planning

process described in this Attachment is eligible to raise its dispute, as appropriate, under this Dispute Resolution Process (“Disputing Party”).

12.4 Scope

In order to ensure that the regional transmission planning process set forth under this Attachment moves expeditiously forward, the scope of issues that may be subject to the Regional Planning Dispute Resolution Process under this Section 12 shall be limited to certain key procedural and substantive decisions made by the ISO within its authority as specified in documents on file with the Commission. That is, decisions not subject to resolution within the jurisdiction of the Commission are not within the scope of the Regional Planning Dispute Resolution Process. Examples of matters not within the scope of the Regional Planning Dispute Resolution Process include planning to serve retail native load or state siting issues. Additionally, the Tariff already explicitly provides specific dispute resolution procedures for various matters. To this end, any matter regarding the review and approval of applications pursuant to Section I.3.9 of the Tariff, which is subject to the dispute resolution process under Section I.6 of the Tariff, shall not be within the scope of this Regional Planning Dispute Resolution Process. Similarly, any matter regarding Transmission Cost Allocation shall be governed by the dispute resolution process under Schedule 12 of the OATT, and shall be outside the scope of this Regional Planning Dispute Resolution Process.

(a) Reviewable Determinations

The determinations that may be subject to the Regional Planning Dispute Resolution Process under this Section 12 that include certain procedural and substantive challenges that may arise at limited designated key decision points in the regional transmission planning process for PTF. Procedural challenges will be limited to whether or not the steps taken up to a designated key decision point conform to the requirements set forth in this Attachment. Substantive challenges will be limited to whether or not a determination or conclusion rendered at a designated key decision point was supported by adequate basis in fact.

The designated key decision points for Reviewable Determinations shall be limited to the following:

- (i) Results of a Needs Assessment conducted and communicated by the ISO to the Planning Advisory Committee as specified in Section 4.1 of this Attachment;
- (ii) Updates to the RSP Project List, including adding, removing or revising regulated transmission solutions included thereunder, as presented at the Planning Advisory Committee and as specified in Section 3.6 of this Attachment;
- (iii) Results of Solutions Studies conducted and communicated by the ISO to the Planning Advisory Committee as specified in Section 4.2 of this Attachment;
- (iv) Consideration of market responses in Needs Assessments as specified in Section 4.1(f) of this Attachment;
- (v) Prioritization and substance of Stakeholder-Requested Scenarios to be conducted by the ISO in a given Economic Study cycle as specified in Section 17.2(d) of this Attachment; and
- (vi) Prioritization of Economic Study scenario sensitivities to be performed in a given Economic Study cycle where the Planning Advisory Committee is not able to prioritize them as specified in Section 17.4 of this Attachment.

(b) Material Adverse Impact

In order to prevail in a challenge to a procedural-based Reviewable Determination, the Disputing Party must show that the alleged procedural error had a material adverse impact on the determination or conclusion. In order to prevail in a challenge to a substantive-based Reviewable Determination, the Disputing Party must show that either (i) the determination is based on incorrect data or assumptions or (ii) incorrect analysis was performed by the ISO, and (iii) as a result the ISO made an incorrect decision or determination.

12.5 Notice and Comment

A Disputing Party aggrieved by a Reviewable Determination shall have fifteen (15) calendar days upon learning of the Reviewable Determination following the ISO's presentation of such Reviewable

Determination at the Planning Advisory Committee to request dispute resolution by giving notice to the ISO ("Request for Dispute Resolution"). A Request for Dispute Resolution shall be in writing and shall be addressed to the ISO's Chair of the Planning Advisory Committee and, as appropriate, the affected Transmission Owner. Within three (3) Business Days of the receipt by the ISO of a Request for Dispute Resolution, the ISO shall prepare and distribute to all members of the Planning Advisory Committee a notice of the Request for Dispute Resolution including, subject to the protection of Confidential Information and CEII, the specifics of the Request for Dispute Resolution and providing the name of an ISO representative to whom any comments may be sent. Any member of the Planning Advisory Committee may submit to the ISO's designated representative, on or before the tenth (10th) Business Day following the date the ISO distributes the notice of the Request for Dispute Resolution, written comments to the ISO with respect to the Request for Dispute Resolution. The party filing the Request for Dispute Resolution may respond to any such comments by submitting a written response to the ISO's designated representative and to the commenting party on or before the fifteenth (15th) Business Day following the date the ISO distributes the notice of the Request for Dispute Resolution. The ISO may, but is not required to, consider any written comments.

12.6 Dispute Resolution Procedures

(a) Resolution Through the Planning Advisory Committee

The Planning Advisory Committee shall discuss and resolve any dispute arising under this Attachment involving a Reviewable Determination, as defined in Section 12.4 of this Attachment, between and among the ISO, the Disputing Party, and, as appropriate, the affected Transmission Owner (collectively, "Parties") (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution).

(b) Resolution Through Informal Negotiations

To the extent that the Planning Advisory Committee is not able to resolve a dispute arising under this Attachment involving a Reviewable Determination, as defined in Section 12.4 of this Attachment, between and among the ISO, the Disputing Party, and, as appropriate, the affected Transmission Owner, such dispute shall be the subject of good-faith negotiations among the Parties. Each Party shall designate a fully authorized senior representative for resolution on an informal basis as promptly as practicable.

(c) Resolution Through Alternative Dispute Resolution

In the event the designated representatives are unable to resolve the dispute through informal negotiation within thirty (30) days, or such other period as the Parties may agree upon, by mutual agreement of the Parties, such dispute may be submitted to mediation or any other form of alternative dispute resolution upon the agreement of all Parties to participate in such mediation or other alternative dispute resolution process. Such form of alternative dispute resolution shall not include binding arbitration.

If a Party identifies exigent circumstances reasonably requiring expedited resolution of the dispute, such Party may file a Complaint with the Commission or seek other appropriate redress before a court of competent jurisdiction.

12.7 Notice of Dispute Resolution Process Results

Within three (3) Business Days following the resolution of a dispute pursuant to either Section 12.6(b) or Section 12.6(c) of this Attachment, the ISO shall distribute to the Planning Advisory Committee a document reflecting the resolution.

13. Rights Under The Federal Power Act

Nothing in this Attachment shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

14. Annual Assessment of Transmission Transfer Capability

Each year, the ISO shall issue the results of the annual assessment of transmission transfer capability, conducted pursuant to applicable NERC, NPCC and ISO New England standards and criteria and the identification of potential future transmission system weaknesses and limiting facilities that could impact the transmission system's ability to reliably transfer energy in the planning horizon. Each annual assessment will identify those portions of the New England system, along with the associated interface boundaries, that should be considered in the assessment of Capacity Zones to be modeled in the Forward Capacity Market pursuant to ISO Tariff Section III.12. This report will be posted on the ISO website. Each annual assessment will model out-of-service resources associated with the following bids, if the ISO determines the removal of the resource is likely to have an impact on the transmission transfer limits for the relevant period: Retirement De-List Bids, Permanent De-List Bids, demand bids submitted for the

upcoming substitution auction, and rejected for reliability Static De-List Bids and rejected for reliability Dynamic De-List Bids from the most recent Forward Capacity Auction.

15. Procedures for the Conduct of Cluster Enabling Transmission Upgrades Regional Planning Study

The purpose of this Section 15 is to support the conduct of Interconnection Studies under the Interconnection Procedures set forth in Schedules 22, 23 and 25 of Section II of the Tariff. Other than Section 2 of this Attachment K regarding the responsibilities of the Planning Advisory Committee and this Section 15, none of the other provisions in this Attachment K apply to the conduct of the Cluster Enabling Transmission Upgrade Regional Planning Study or the results of the study.

15.1 Notice of Initiation of Cluster Enabling Transmission Upgrade Regional Planning Study in Support of Cluster Studies under the Interconnection Procedures.

Pursuant to Section 4.2.2 of Schedule 22, Section 1.5.3.2 of Schedule 23, and Section 4.2.2 of Schedule 25 of Section II of this Tariff, the ISO shall provide notice to the Planning Advisory Committee of the initiation Cluster Enabling Transmission Upgrade (“CETU”) Regional Planning Study (“CRPS”) (the cost of which will be recovered by the ISO pursuant to Schedule 1 of Section IV.A of the Tariff). The results of the CRPS will inform the Cluster Study and Transitional Cluster Study entry process and requirements for Interconnection Requests for Generating Facilities and Elective Transmission Upgrades that the System Operator determines need the CETU to meet the standards described in Sections 3.2.1 and 3.2.2 Schedules 22, 23, and 25 of Section II of the Tariff.

15.2 Preparation for Conduct of CRPS; Stakeholder Input

The purpose of the CRPS shall be to identify the new transmission infrastructure and any associated system upgrades to enable the interconnection of potentially all of the resources that fall under the interconnection circumstances described in Section 4.2.1 of Schedule 22, Section 4.2.1 of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff. The ISO will prepare and post on its website, consistent with Section 2.4(d) of this Attachment K, a proposed scope of the CRPS and associated parameters and assumptions, and provide the foregoing to the Planning Advisory Committee. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input for consideration by the ISO on the CRPS’s scope, parameters and assumptions, consistent with the responsibilities of the Planning Advisory Committee as set forth in Section 2.2 of this Attachment. As

part of the CRPS's scope, the ISO will describe the interconnection circumstances that it has identified pursuant to Section 4.2.1 of Schedule 22, Section 4.2.1 of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff. In addition, the ISO will identify, to the extent practicable: (i) the Interconnection Requests, to be referenced by Queue Position, that have experienced the interconnection circumstances described in Section 4.2.1 of Schedule 22, Section 4.2.1 of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff and would need new transmission infrastructure to enable their interconnection, and (ii) the preliminary transmission upgrade concepts proposed to be considered in the CRPS. The preliminary transmission upgrade concepts may account for previously conducted transmission reinforcement studies and previously identified concepts for transmission upgrades in the relevant electrical area, including Elective Transmission Upgrades that have previously been submitted in the interconnection queue prior to the initiation of the CRPS.

A member of the Planning Advisory Committee or an Interconnection Customer may make a written submission to the ISO, requesting that the ISO consider the conduct of a CRPS for certain described interconnection circumstances. In response to such a request, the ISO will either develop a notice of initiation of a CRPS pursuant to Section 15.1 of this Attachment K, or identify, in writing, to the Planning Advisory Committee why the interconnection circumstances described in Section 4.2.1 of Schedule 22, Section 4.2.1 of Schedule 23, and Section 4.2.1 of Schedule 25 of Section II of the Tariff are not present.

15.3 Conduct of the CRPS

The CRPS will consist of analyses performed under the conditions used in the conduct of a Cluster Study under the Interconnection Procedures. The CRPS will consist of steady state thermal analysis, voltage and transient stability analysis, and, as appropriate, other analysis, such as weak-grid-related analyses. The ISO will use Reasonable Efforts to complete the CRPS within twelve (12) months from the notice to the Planning Advisory Committee.

15.4 Publication of the CRPS

The ISO shall post a draft report of the CRPS to the Planning Advisory Committee, consistent with Section 2.4(d) of this Attachment K, and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to discuss the results of the CRPS. A comment period will follow the Planning Advisory Committee meeting. The ISO will post on its website any comments received and the ISO's responses to those comments.

The CRPS report will provide:

- (i) a planning level description of the CETU(s) and a non-binding good faith order-of-magnitude estimate, developed by the applicable Transmission Owner(s), of the costs for the CETU(s);
- (ii) a list of other facilities that may be needed in addition to the CETU(s) and a non-binding good faith order-of-magnitude estimate, developed by the applicable Transmission Owner(s), of the costs for those facilities (the CRPS will not provide descriptions of expected Interconnection Facilities for specific Interconnection Requests in the cases where the Interconnection Facilities cannot be finalized until the actual Interconnection Requests that will be moving forward in the cluster are known); and
- (iii) the approximate megawatt quantity (or quantities if more than one level of megawatt injection was studied in the CRPS) of resources that could be interconnected in a manner that meets the Network Capability Interconnection Standard and the Capacity Capability Interconnection Standard in accordance with Schedules 22, 23 and 25 of Section II of the Tariff.

The non-binding good faith order-of-magnitude estimates under Section 15.4(i)-(ii) of this Attachment will be developed by the applicable Transmission Owner(s), and the costs of developing such estimates shall be recovered in the same manner as the costs incurred by the ISO in conducting the CRPS.

The final CRPS will be posted on the ISO's website, consistent with Section 2.4 (d) of this Attachment K.

16. Procedures for the Conduct of Longer-Term Transmission Studies and Evaluation of Longer-Term Transmission Upgrades

This Section 16 sets forth the procedures for the ISO's conduct of Longer-Term Transmission Studies and evaluation of Longer-Term Transmission Upgrades. These procedures supplement, and are not intended to replace, other study processes provided in this Attachment K. The costs incurred by the ISO in consulting or providing technical support, performing the Longer-Term Transmission Study and any

follow-on study, and conducting the solicitation process for Longer-Term Transmission Upgrades (excluding any costs incurred by the ISO associated with the evaluation of Longer-Term Proposals) shall be recovered pursuant to Schedule 1 of Section IV.A of the Tariff.

16.1 Request for Longer-Term Transmission Studies

The ISO, at its sole discretion, may collaborate with and provide technical support to NESCOE or the New England states in connection with the states' procurements, and efforts to secure federal funding for transmission investments. In addition, NESCOE may submit a written request for the ISO to conduct a Longer-Term Transmission Study to identify high-level concepts of transmission infrastructure and, if requested, high-level cost estimates that could meet State-identified Requirements specified in the request based on state-identified scenarios and timeframes, which may extend beyond the five-to-ten year planning horizon. A request for a Longer-Term Transmission Study may be submitted to the ISO no earlier than six months from conclusion of the prior cycle, which includes Longer-Term Transmission Studies, follow-on studies, and any associated competitive solicitation. The Longer-Term Transmission Study request shall identify the State-identified Requirements that serve as the basis of the request; the proposed objectives of the study; and the scenarios and timeframe(s) proposed for use in the study.

16.2 Preparation for Conduct of the Longer-Term Transmission Studies; Stakeholder Input

Upon receipt of a request for a Longer-Term Transmission Study from NESCOE, the ISO will post the request on the ISO's website. A meeting of the Planning Advisory Committee will be held promptly thereafter for NESCOE to present the Longer-Term Transmission Study request. NESCOE will then provide the ISO written confirmation of the specific scenarios to be analyzed in the study, together with the specific information to facilitate the conduct of the study, including, but not limited to: assumptions, types and location of new resource development, location of new loads and load serving stations, and injection points or geographic zones. The ISO will then develop a scope of work that may be performed, and post on the ISO's website the Longer-Term Transmission Study's proposed scope of work, associated parameters, and assumptions. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input on the study's scope, parameters, and assumptions. Members of the Planning Advisory Committee shall direct all such input related to the Longer-Term Transmission Study's scope, parameters, and assumptions to the ISO for consideration by the ISO and NESCOE, as applicable. Depending on the scope and objectives of a Longer-Term Transmission Study request, the ISO may request information to support consideration of new loads in the study. The ISO

will provide the final scope of work for the Longer-Term Transmission Study to NESCOE for confirmation, and once written confirmation is received, will post the final scope of work on the ISO's website.

16.3 Conduct of the Longer-Term Transmission Study; Follow-on Studies; Stakeholder Input

The ISO, in consultation with NESCOE, will perform the Longer-Term Transmission Study, supplemented by third-party consultants as necessary. The ISO may ask Participating Transmission Owners or Planning Advisory Committee members with special expertise to provide technical support or assist in the performance of the study. The study will consist of transmission system analysis to be performed under the conditions specified in the confirmed scope of work. If the ISO identifies a need to deviate from the final scope of work, the ISO will consult with NESCOE prior to incorporating the change. Once NESCOE provides written confirmation, the ISO will notify the Planning Advisory Committee of any changes. The study will assess the ability of the PTF to meet applicable planning criteria under the provided conditions.

The ISO will post on the ISO's website the results of the Longer-Term Transmission Study. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input on the study results. Members of the Planning Advisory Committee shall direct all such input related to the Longer-Term Transmission Study results to the ISO for consideration by the ISO and NESCOE, as applicable.

The ISO, in consultation with NESCOE, will prepare a Longer-Term Transmission Study report and post it on the ISO's website. The report will identify the overview of transmission system limitations and the high-level concepts of transmission infrastructure and, if requested, associated cost estimates, required to solve the longer-term issues identified in the study based on the state-identified scenarios and timeframe. Members of the Planning Advisory Committee shall direct all such input related to the Longer-Term Transmission Study report to the ISO for consideration by the ISO and NESCOE, as applicable.

NESCOE may submit a written request for the ISO to perform follow-on studies based on the results of the Longer-Term Transmission Study. In its request, NESCOE will provide the ISO specific scenarios to be analyzed in the follow-on study, together with specific information to facilitate the conduct of the study, including, but not limited to scope, parameters and assumptions. Upon receipt of the request for a follow-on study, the ISO will post the request for a follow-on study on the ISO's website and a meeting

of the Planning Advisory Committee will be held promptly thereafter for NESCOE to present the follow-on study request. NESCOE will then provide the ISO written confirmation of the specific scenarios to be analyzed in the follow-on study, together with the specific information to facilitate the conduct of the study, including, but not limited to scope, parameters and assumptions. The ISO will then develop a scope of work that may be performed and post on the ISO's website the follow-on study's proposed scope of work, associated parameters, and assumptions. A meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit stakeholder input on the study's scope, parameters, and assumptions. Members of the Planning Advisory Committee shall direct all such input related to the follow-on study's scope, parameters, and assumptions to the ISO for consideration by the ISO and NESCOE, as applicable. The ISO will provide the final scope of work for the follow-on study to NESCOE for confirmation, and once written confirmation is received, will post the final scope of work on the ISO's website and proceed with performing the follow-on study.

The results of the follow-on study will be posted on the ISO's website and a meeting of the Planning Advisory Committee will be held promptly thereafter in order to solicit input on the results. Such input shall be directed to the ISO for consideration by NESCOE and the ISO, as applicable. The ISO will prepare a follow-on study report, as needed, and post it on the ISO's website.

16.4 Competitive Solution Process for Longer-Term Transmission Upgrades

(a) Identification of Longer-Term Needs; Request for Proposal Determination

At the request of NESCOE, the ISO will consult with and provide technical support to NESCOE on possible longer-term needs that may be addressed through one or more request for proposal(s) in connection with a Longer-Term Transmission Study or a follow-on study. During this consultation, the ISO, at its sole discretion, may also identify for NESCOE's consideration known non-time-sensitive reliability or market efficiency needs that could be combined with longer-term needs in a request for proposal(s). NESCOE determines which potential needs will be included in a request for proposal(s) and whether to move forward with such a request(s). If the ISO receives from NESCOE a written list identifying the specific needs that NESCOE may be interested in including in one or more potential request for proposal(s), the ISO will post the list on the ISO's website. A meeting of the Planning Advisory Committee will be held promptly thereafter for NESCOE to present the needs. Members of the Planning Advisory Committee shall direct all comments related to the NESCOE-identified needs to the ISO for consideration by NESCOE.

Any time following NESCOE's receipt and consideration of Planning Advisory Committee input but prior to NESCOE submitting a request to initiate a subsequent Longer-Term Transmission Study, NESCOE may submit a written request for the ISO to publicly issue, via a posting on the ISO's website, a request for proposal(s) inviting Qualified Transmission Project Sponsors to submit proposals offering a comprehensive solution that addresses the needs specified in NESCOE's request for the ISO to initiate a request for proposal(s).

Notwithstanding any other provision to the contrary, if a non-time-sensitive reliability or market efficiency need that the ISO identified for NESCOE's consideration under this Section 16.4(a) is combined with longer-term needs included in a request for proposal(s), then the reliability or market efficiency need and the development of regulated transmission solutions for that need shall be subject to the procedures for longer-term transmission planning in Section 16. If any non-time-sensitive reliability or market efficiency needs are not included in the needs selected by NESCOE to be addressed in a request for proposal(s), then those non-time-sensitive reliability or market efficiency needs shall be addressed pursuant to Section 4.3 of this Attachment K. If the longer-term process is terminated pursuant to Section 16.6 of this Attachment K or corresponding Longer-Term Transmission Upgrade is removed from the RSP Project List pursuant to Section 3.6(c), then: (1) in the case of a market efficiency need, the ISO shall initiate the process under Section 4.3 of this Attachment K, and (2), in the case of a reliability need, notwithstanding any other provisions to the contrary, the ISO shall: (i) assess the reliability need and its time-sensitivity, as appropriate; (ii) determine whether a solution is needed to solve the reliability need in three years or less from the completion of the assessment in this Section 16.4(a); and (iii) initiate the applicable process pursuant to Sections 4.1-4.3 of this Attachment K.

(b) Issuance of Request for Proposal

The ISO will publicly post on its website a request for proposal(s) inviting Qualified Transmission Project Sponsors to submit (by the deadline specified in the request for proposal, which shall not be less than 60 days from the date of posting the request for proposal) a Longer-Term Proposal offering a comprehensive solution that addresses all the needs identified in the request. The request for proposal will indicate that a Qualified Transmission Project Sponsor

may submit an individual or joint Longer-Term Proposal(s). In the case where a joint proposal is submitted, all parties must be Qualified Transmission Project Sponsors.

(c) Use and Control of Right of Way

Neither the submission of a project by a Qualified Transmission Project Sponsor nor the selection by the ISO of a project submitted by a Qualified Transmission Project Sponsor for inclusion in the RSP Project List shall alter a PTO's use and control of an existing right of way, the retention, modification, or transfer of which remain subject to the relevant law or regulation, including property or contractual rights, that granted the right-of-way. Nothing in the processes described in this Attachment K requires a PTO to relinquish any of its rights-of-way in order to permit a Qualified Transmission Project Sponsor to develop, construct or own a project.

(d) Information Required for Longer-Term Proposals; Study Deposit; Timing

The following information must be provided as part of the Longer-Term Proposal:

- (i) detailed description of the proposed solution, in the manner specified by the ISO, including an identification of the proposed route for the solution and technical details of the project, such as interconnection into the existing transmission system;
- (ii) detailed explanation of how the proposed solution addresses the identified need(s);
- (iii) list of required major Federal, State and local permits
- (iv) proposed schedule, including key high-level milestones, for development, siting, procurement of real estate rights, permitting, construction and completion of the proposed solution;
- (v) right, title, and interest in rights of way, substations, and other property or facilities, if any, that would contribute to the proposed solution or the means and timeframe by which such would be obtained;
- (vi) description of the authority the Qualified Transmission Project Sponsor(s) has to acquire necessary rights of way;
- (vii) experience of the Qualified Transmission Project Sponsor(s) in acquiring rights of way;
- (viii) description of construction sequencing, a conceptual plan for the anticipated transmission and generation outages necessary to construct the proposed solution and their respective duration, and possible constraints;

- (ix) detailed cost component itemization and life-cycle cost, including cost containment or cost cap measures;
- (x) description of the financing being used;
- (xi) design and equipment standards to be used;
- (xii) detailed explanation of project feasibility and potential constraints and challenges;
- (xiii) description of the means by which the Qualified Transmission Project Sponsor(s) proposes to satisfy legal or regulatory requirements for siting, constructing, owning and operating transmission projects; and
- (xiv) detailed explanation of potential future expandability.

A Qualified Transmission Project Sponsor may submit a proposed solution that includes an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the Qualified Transmission Project Sponsor's proposed solution relating to the upgrade(s) of an existing transmission system element(s) must provide all data available to the Qualified Transmission Project Sponsor as part of its response to the request for proposal. The Qualified Transmission Project Sponsor is not required to procure agreements with the PTO for implementation of such upgrades as the PTO is required to implement the upgrade(s) in accordance with Schedule 3.09(a) of the Transmission Operating Agreement if the proposed solution is selected through the competitive process.

With each proposal, the submitting Qualified Transmission Project Sponsor must include payment of a \$100,000 study deposit per submitted Longer-Term Proposal to support the cost of Longer-Term Proposal evaluation by the ISO. The study deposit of \$100,000 shall be applied toward the costs incurred by the ISO associated with the evaluation of the Longer-Term Proposal. Any difference between a Qualified Transmission Project Sponsor's study deposit and the actual cost of the evaluation of a Longer-Term Proposal shall be paid by or refunded to the Qualified Transmission Project Sponsor, as appropriate, with interest calculated in accordance with Section 35.19a(a)(2) of the FERC regulations. Any refund payment shall be accompanied by a detailed and itemized accounting of the actual study costs incurred. Any invoice to collect funds in addition to the deposit shall be accompanied by a detailed and itemized accounting of the actual

study costs incurred. Any disputes arising from the study process shall be addressed under the dispute resolution process specified in Section I.6 of the ISO Tariff.

Longer-Term Proposals must be submitted by the deadline specified in the public posting by the ISO of the request for proposal. The ISO may reject submittals which are insufficient or not adequately supported.

(e) LSP Coordination

Qualified Transmission Project Sponsors of Longer-Term Proposals shall also identify any LSP plans that require coordination with their Longer-Term Proposals.

(f) Review of Longer-Term Proposals

Upon receipt of Longer-Term Proposals, the ISO shall perform a review of each proposal to determine whether the proposal:

- (i) provides sufficient data and that the data is of sufficient quality to satisfy Section 16.4(d);
- (ii) satisfies the needs identified in the request for proposal;
- (iii) is technically practicable and indicates possession of, or an approach to acquiring, the necessary rights of way, property and facilities that will make the proposal reasonably feasible in the required timeframe; and;
- (iv) is eligible to be constructed only by an existing PTO in accordance with Schedule 3.09(a) of the TOA because the proposed solution is an upgrade to existing PTO facilities or because the costs of the proposed solution are not eligible for regional cost allocation under the OATT and will be allocated only to the local customers of a PTO.

For each Longer-Term Proposal that satisfies the criteria specified in this Section 16.4(f), the ISO shall also perform an independent capital cost estimate, using a consistent capital cost estimating methodology, to ensure consistency in its review of the Longer-Term Proposals and their cost estimates.

(g) Proposal Deficiencies; Further Information

If the ISO identifies any minor deficiencies (compared with the requirements of Section 16.4(d)) in the information provided in connection with a Longer-Term Proposal, the ISO will notify the Qualified Transmission Project Sponsor that submitted the Longer-Term Proposal and provide an opportunity for the Qualified Transmission Project Sponsor to cure the deficiencies within the timeframe specified by the ISO. Upon request, Qualified Transmission Project Sponsors of Longer-Term Proposals shall provide the ISO with additional information reasonably necessary for the ISO's evaluation of the proposed solutions. In providing information under this subsection (g), the Qualified Transmission Project Sponsor may not modify its project materially or submit a new project, but instead may clarify its Longer-Term Proposal.

(h) Identification and Reporting of Preliminary Preferred Longer-Term Transmission Solution; Stakeholder Input

The ISO will identify the Longer-Term Transmission Solution that offers the best combination of electrical performance, cost, future system expandability and feasibility to comprehensively address all of the needs in the timeframes specified in the request for proposal(s) as the preliminary preferred Longer-Term Transmission Solution in response to each request for proposal.

The ISO will consider several factors during the evaluation process for identification of the preliminary preferred Longer-Term Transmission Solution. These factors may include, but are not limited to, the following which are listed in no particular order:

- Life-cycle cost, including all costs associated with right of way acquisition, easements, and associated real estate;
- System performance;
- Cost cap or cost containment provisions;
- In-service date of the project or portion(s) thereof;
- Project constructability;
- Generation and transmission facility outages required during construction;
- Extreme contingency performance;
- Operational impacts;
- Incremental costs for potential resource retirements;

- Interface impacts;
- Future expandability;
- Consistency with Good Utility Practice;
- Potential siting/permitting issues or delays;
- Environmental impact;
- Design standards;
- Impact on NPCC Bulk Power System classification; and
- Qualified Transmission Project Sponsor(s) capabilities

The ISO will determine the financial benefits associated with Longer-Term Proposals that meet the needs identified in the request for proposal(s) and are competitive in terms of electrical performance, cost, future system expandability and feasibility. These financial benefits will consider factors that include, but are not limited to, the following which are listed in no particular order:

- Production cost and congestion savings;
- Avoided capital cost of local resources needed to serve demand;
- Avoided transmission investment;
- Reduction in losses; and
- Reduction in expected unserved energy

To be eligible for consideration as the preliminary preferred Longer-Term Transmission Solution, the Longer-Term Proposal must provide a benefit-to-cost ratio of greater than 1.0. Longer-Term Proposals with a benefit-to-cost ratio of 1.0 or less shall not be eligible for consideration as the preliminary preferred Longer-Term Transmission Solution. The benefit-to-cost ratio shall equal financial benefits divided by project costs. For the purpose of this calculation, financial benefits will be set equal to the present value of all financially quantifiable benefits provided by the project projected for the first 20 years of the project's life and project costs will be set equal to the present value of the annual revenue requirements projected for the first 20 years of the project's life.

The ISO will report the preliminary preferred Longer-Term Transmission Solution to the Planning Advisory Committee and seek input on the preliminary preferred Longer-Term

Transmission Solution. Members of the Planning Advisory Committee may provide comments to the ISO on the preliminary preferred Longer-Term Transmission Solution.

(i) ISO Selection of Preferred Longer-Term Transmission Solution; NESCOE Response

Following receipt of stakeholder input, the ISO will identify the preferred Longer-Term Transmission Solution, together with an overview of why the solution is preferred, in a report and post that report on the ISO's website. The ISO will select the project that meets the conditions specified in Section 16.4(h) of this Attachment K. Within 30 days of the ISO's posting of the report identifying the preferred Longer-Term Transmission Solution, NESCOE may submit to the ISO a written communication: (a) requesting that the ISO terminate the process, or (b) requesting that the ISO continue the process, but specifying an alternative allocation for the recovery of the incremental costs to address longer-term needs beyond those necessary to address any reliability or economic needs included in the longer-term request for proposal(s). If the ISO does not receive a written communication requesting that the ISO terminate the process, the ISO will proceed in accordance with Section 16.5 of this Attachment K, which shall apply solely to Longer-Term Proposals that meet the greater than 1.0 benefit-to-cost ratio threshold. The ISO shall terminate the process if requested to do so in the written NESCOE communication pursuant to Section 16.6 of this Attachment.

(j) ISO Reporting Where No Longer-Term Proposal Meets the Greater than 1.0 Benefit-to-Cost Ratio Threshold; NESCOE Response

In the event that no Longer-Term Proposal meets the benefit-to-cost ratio threshold, the ISO will present its findings to the Planning Advisory Committee. In the absence of a Longer-Term Proposal that meets the benefit-to-cost ratio threshold, the ISO will not identify a preliminary preferred Longer-Term Transmission Solution, but will make a recommendation on a Longer-Term Proposal. Members of the Planning Advisory Committee may provide comments to the ISO on its findings, and the ISO will provide and post on its website responses to written comments. If, after considering stakeholder input, the ISO determines that no Longer-Term Proposal meets the benefit-to-cost ratio threshold, the ISO will cancel the request for proposal in

accordance with Section 16.6 of this Attachment K after the 15th day from the posting of the ISO's responses on the website.

Notwithstanding any other provision of this Attachment K, the ISO will not cancel the request for proposal in accordance with Section 16.6 of this Attachment K if, by the 15th day from the posting of the ISO's responses on the website, the ISO receives a written communication from NESCOE: (a) accepting the ISO recommended Longer-Term Proposal, identifying the New England states, individually or jointly, that have agreed to voluntarily fund the costs of that Longer-Term Proposal in excess of those eligible for treatment as Regional Benefit Upgrades pursuant to Schedule 12 of the OATT, and identifying the manner in which those excess costs shall be allocated among the states identified in the communication, or (b) identifying up to three Longer-Term Proposals for which NESCOE seeks further analysis. If the communication from NESCOE accepts the ISO-recommended Longer-Term Proposal, this proposal becomes the preferred Longer-Term Proposal and the ISO will proceed in accordance with Section 16.8 of this Attachment K, which shall apply solely to Longer-Term Proposals that do not meet the greater than 1.0 benefit-to-cost ratio threshold. If NESCOE identifies Longer-Term Proposals for further analysis, the ISO will perform further analysis of these proposals, present its findings to the Planning Advisory Committee for input, and post that input on its website. A Longer-Term Proposal is eligible for NESCOE's identification as a preferred Longer-Term Proposal if the ISO, at its sole discretion, has determined that it addresses all the needs in the timeframes specified in the request for proposal(s) and is viable. The ISO will cancel the request for proposal in accordance with Section 16.6 of this Attachment K after 15 days from posting the Planning Advisory Committee's input, unless the ISO receives a written communication from NESCOE identifying a preferred Longer-Term Proposal, the New England states, individually or jointly, that have agreed to voluntarily fund the costs of that Longer-Term Proposal in excess of those eligible for treatment as Regional Benefit Upgrades pursuant to Schedule 12 of the OATT, and identifying the manner in which those excess costs shall be allocated among the states identified in the communication, in which case, the ISO will proceed in accordance with Section 16.8 of this Attachment K.

16.5 Where the Greater than 1.0 Benefit-to-Cost Ratio Threshold has Been Met: Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List; Milestone Schedule; Removal from RSP Project List

(a) Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List

If the ISO does not receive a written NESCOE communication requesting that the ISO terminate the process or providing an alternative cost allocation within the 30 day period specified in Section 16.4(i) of this Attachment, the ISO will notify the Qualified Transmission Project Sponsor that proposed the preferred Longer-Term Transmission Solution that its project has been selected for development, and include the project as a Longer-Term Transmission Upgrade in the Regional System Plan or RSP Project List, as it is updated from time to time in accordance with this Attachment. The preferred Longer-Term Transmission Solution may include an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Transmission Project Sponsor is not the PTO for the existing system element(s). In such cases, the ISO will notify the PTO that has upgrades required by the preferred Longer-Term Transmission Solution to proceed in accordance with Schedule 3.09(a) of the TOA.

If the ISO receives a written NESCOE communication providing an alternative cost allocation pursuant to Section 16.4(i) of this Attachment, the ISO will notify the Qualified Transmission Project Sponsor that proposed the preferred Longer-Term Transmission Solution that its project has been selected for development and the PTO that has upgrades required by the preferred Longer-Term Transmission Solution, and provide them the written NESCOE communication reflecting the requested alternative cost allocation. In the case where the ISO notifies the PTO that has upgrades required by the preferred Longer-Term Transmission Solution to proceed in accordance with Schedule 3.09(a) of the TOA, any prudently incurred PTO costs associated with a filing to implement the cost allocation requested by NESCOE will be recovered by the applicable PTO in accordance with Attachment F of this OATT.

Within 30 days of the Commission's order addressing the alternative cost allocation, NESCOE will provide the ISO a communication specifying whether the process should proceed in accordance with Section 16.5(b) or terminate in accordance with Section 16.6 of this Attachment K. If the written NESCOE communication provides for the process to proceed, then the ISO will notify the Qualified Transmission Project Sponsor and PTO and include the project as a Longer-Term Transmission Upgrade in the Regional System Plan or RSP Project List, as it is updated from time to time in accordance with this Attachment. If the written NESCOE communication requests termination of the process, the ISO shall terminate the process pursuant to Section 16.6 of this Attachment.

Costs for the Longer-Term Transmission Upgrade included in the Regional System Plan or RSP Project List shall be allocated in accordance with Section 10 of Schedule 12 to this OATT.

(b) Execution of Selected Qualified Transmission Project Sponsor Agreement

If the ISO does not receive a written NESCOE communication requesting that the ISO terminate the process or providing an alternative cost allocation pursuant to Section 16.4(i) of this Attachment, within 30 days of receiving notification pursuant to Section 16.5(a) of this Attachment, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of receiving notification pursuant to Section 16.5(a) of this Attachment, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

If the ISO receives a written NESCOE communication providing an alternative cost allocation pursuant to Section 16.4(i) of this Attachment, within 30 days of the ISO's

notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of the ISO's notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

Qualified Transmission Project Sponsors whose projects are listed on the RSP Project List and have executed the Selected Qualified Transmission Project Sponsor Agreement shall be entitled to recover, pursuant to the rates and appropriate financial arrangements set forth in the Tariff and, as applicable, the TOA and NTDOA, all prudently incurred cost associated with developing the Longer-Term Transmission Upgrade subsequent to executing the Selected Qualified Transmission Project Sponsor Agreement.

PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a Longer-Term Transmission Solution proposed by any other Qualified Transmission Project Sponsor.

Notwithstanding the foregoing, a PTO is not precluded from recovering, pursuant to the applicable rates and appropriate financial arrangements set forth in the Tariff and the TOA, all prudently incurred costs associated with meeting its obligations to plan and maintain its Transmission Facilities as defined in Section 2.01 of the TOA.

(c) Failure to Proceed

If the ISO finds, after consultation with a Qualified Transmission Project Sponsor, that the sponsor is failing to pursue approvals or construction in a reasonably diligent fashion, or that one or more of the Qualified Transmission Project Sponsors is unable to proceed with the project due to forces beyond its reasonable control, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report, including a proposed course of action. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. The proposed course of action may include, for example, a consideration and selection of another Longer-Term Proposal, or the re-solicitation of Longer-Term Proposals. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO shall file its report (whether with respect to a PTO or a non-PTO Qualified Transmission Project Sponsor) with the Commission.

16.6 Cancellation of a Longer-Term Transmission Study; Cancellation of a Request for Proposal

The ISO may cancel a Longer-Term Transmission Study process or a request for proposal at any time. Such cancellation may be due, but is not limited to, new or different assumptions which may change or eliminate the identified needs. The ISO shall cancel a Longer-Term Transmission Study process or a request for proposal if requested to do so in a written NESCOE communication.

16.7 Local Longer-Term Transmission Upgrades

The costs of Local Longer-Term Transmission Upgrade(s) that are required in connection with the construction of a Longer-Term Transmission Upgrade approved for inclusion in the Regional System Plan in accordance with Section 16.5(a) of this Attachment K shall be allocated in accordance with Schedule 21 of the OATT.

16.8 Where the Greater than 1.0 Benefit-to-Cost Ratio Threshold has not been Met: Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List; Milestone Schedule; Removal from RSP Project List

(a) Inclusion of Longer-Term Transmission Upgrade in the Regional System Plan and RSP Project List

Upon receipt of a written NESCOE communication identifying a preferred Longer-Term Proposal pursuant to Section 16.4(j) of this Attachment K, the ISO will notify the Qualified Transmission Project Sponsor that proposed the Longer-Term Proposal that its project has been selected for development as the preferred Longer-Term Transmission Solution and the PTO that has upgrades required by the preferred Longer-Term Transmission Solution, and provide them the written NESCOE communication identifying the New England states that have voluntarily agreed to fund costs in excess of those eligible for treatment as Regional Benefit Upgrades pursuant to Schedule 12 of this OATT and the agreed-to allocation for the excess costs. In the case where the ISO notifies the PTO that has upgrades required by the preferred Longer-Term Transmission Solution to proceed in accordance with Schedule 3.09(a) of the TOA, any prudently incurred PTO costs associated with a filing to implement the cost allocation requested by NESCOE will be recovered by the applicable PTO in accordance with Attachment F of this OATT.

Within 30 days of the Commission's order addressing the cost allocation, NESCOE will provide the ISO a communication specifying whether the process should proceed in accordance with Section 16.8(b) or terminate in accordance with Section 16.6 of this Attachment K. If the written NESCOE communication provides for the process to proceed, then the ISO will notify the Qualified Transmission Project Sponsor and PTO and include the project as a Longer-Term Transmission Upgrade in the Regional System Plan or RSP Project List, as it is updated from time to time in accordance with this Attachment. If the written NESCOE communication requests termination of the process, the ISO shall terminate the process pursuant to Section 16.6 of this Attachment.

Costs for the Longer-Term Transmission Upgrade included in the Regional System Plan or RSP Project List shall be allocated in accordance with Section 10 of Schedule 12 to this OATT.

(b) Execution of Selected Qualified Transmission Project Sponsor Agreement

Within 30 days of the ISO's notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed under Section 16.8(a) of this Attachment K, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of the ISO's notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed under Section 16.8(a) of this Attachment K, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment provisions shall be included in each Selected Qualified Transmission Project Sponsor Agreement.

Qualified Transmission Project Sponsors whose projects are listed on the RSP Project List and have executed the Selected Qualified Transmission Project Sponsor Agreement shall be entitled to recover, pursuant to the rates and appropriate financial arrangements set forth in the Tariff and, as applicable, the TOA and NTDOA, all prudently incurred cost associated with developing the Longer-Term Transmission Upgrade subsequent to executing the Selected Qualified Transmission Project Sponsor Agreement.

PTOs shall be entitled to recover, pursuant to rates and appropriate financial arrangements set forth in the Tariff, all prudently incurred study costs and costs associated with developing any upgrades or modifications to such PTOs' existing facilities necessary to facilitate the development of a Longer-Term Transmission Solution proposed by any other Qualified Transmission Project Sponsor.

Notwithstanding the foregoing, a PTO is not precluded from recovering, pursuant to the applicable rates and appropriate financial arrangements set forth in the Tariff and the

TOA, all prudently incurred costs associated with meeting its obligations to plan and maintain its Transmission Facilities as defined in Section 2.01 of the TOA.

(c) Failure to Proceed

If the ISO finds, after consultation with a Qualified Transmission Project Sponsor, that the sponsor is failing to pursue approvals or construction in a reasonably diligent fashion, or that one or more of the Qualified Transmission Project Sponsors is unable to proceed with the project due to forces beyond its reasonable control, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report, including a proposed course of action. If the Qualified Transmission Project Sponsor that is failing or unable to proceed is a PTO, the ISO shall, after consultation with the Planning Advisory Committee, prepare a report consistent with the provisions of Section 1.1(e) of Schedule 3.09(a) of the Transmission Operating Agreement, including the ISO's proposed course of action. The proposed course of action may include, for example, a consideration and selection of another Longer-Term Proposal, or the re-solicitation of Longer-Term Proposals. If prepared with respect to a Qualified Transmission Project Sponsor that is not a PTO, the report shall include a report from that sponsor. The ISO shall file its report (whether with respect to a PTO or a non-PTO Qualified Transmission Project Sponsor) with the Commission.

17. Procedures for the Conduct of Economic Studies

This Section 17 sets forth the procedures for the ISO's conduct of Economic Studies.

17.1 Overview

The Economic Study process shall be used to identify market efficiency issues on the PTF portion of the New England Transmission System and, as applicable, evaluate competitive solutions to alleviate identified market efficiency needs. The process will also provide information to facilitate the evaluation of economic and environmental impacts of New England regional policies, federal policies, and various resource technologies on satisfying future resource needs in the region.

17.2 Economic Study Reference Scenarios

The ISO shall develop and study the following four reference scenarios. The ISO shall consult with, and consider the input from, the Planning Advisory Committee on the scope, parameters, and assumptions used in modeling the scenarios described in this Section 17.2.

(a) Benchmark Scenario

The purpose and scope of the Benchmark Scenario is to improve the economic planning model and associated assumptions and criteria used in the other scenarios by comparing it against historical performance of the system in the previous year and adjusting the assumptions and model accordingly. This scenario will help identify any modeling issues in the base set of input data.

The initial economic planning model will use the existing base case model and data and may be adjusted based on historical performance and observations. Historical performance of the system includes recorded observations from the prior year to the beginning of the study cycle.

The study year shall be year N-1 and the simulation length shall be one year for the Benchmark Scenario.

Any identified market efficiency issues resulting from a Benchmark Scenario shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

(b) Market Efficiency Needs Scenario

The purpose and scope of the Market Efficiency Needs Scenario is to identify market efficiency issues on the PTF portion of the New England Transmission System at the end of the ten-year planning horizon pursuant to Section 17.5 of this Attachment. Pursuant to Section 4.1 of this Attachment, the ISO shall conduct a market efficiency Needs Assessment to evaluate and determine whether market efficiency issues identified in a Market Efficiency Needs Scenario are market efficiency needs.

The model used for the Market Efficiency Needs Scenario shall be the updated base case from the Benchmark Scenario and forecasted out to the ten-year planning horizon year using assumptions and criteria in Section 4.1(f) of this Attachment.

The study year shall be year N+10 and the simulation length shall be one year for the Market Efficiency Needs Scenario.

(c) Policy Scenario

The purpose and scope of the Policy Scenario is to identify any potential market efficiency issues resulting from the New England states' energy policies and goals, among others (e.g., federal legislation, state legislation, or utility renewable portfolio standard targets). The policies and goals selected for the Policy Scenario shall be selected by the ISO and Planning Advisory Committee pursuant to Section 17.4 of this Attachment.

The model used for the Policy Scenario shall be the base case model resulting from the Benchmark Scenario and forecasted out to a year when relevant New England and other applicable energy policies and goals are in full effect.

The study year for the Policy Scenario shall be dependent on deadlines for achieving the New England region and other energy policies and goals. However, the study year will be at least ten years into the future and cover the deadlines for achieving all applicable goals and policies. The study simulation length shall be one year.

The results from studying a Policy Scenario shall be used for informational purposes only. Any identified market efficiency issues resulting from a Policy Scenario shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

(d) Stakeholder-Requested Scenario

The purpose of the Stakeholder-Requested Scenario is to study a scenario with a region-wide scope that is requested by stakeholders and not covered by the other scenarios described in this Section 17.

The model used for the Stakeholder-Requested Scenario shall be the base case model resulting from the Benchmark Scenario and then forecasted out to a year with assumptions requested by the stakeholders and agreed upon by the ISO.

The study year shall be dependent on the requested scenario and the simulation length shall be one year.

The results from studying a Stakeholder-Requested Scenario shall be used for informational purposes only. Any identified market efficiency issues resulting from a Stakeholder-Requested Scenario shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

17.3 Frequency, Initiation, and Schedule

The Economic Study process shall be conducted at least once every three years and at most once every two years. The process shall be initiated for the first time under this Section 17 in January 2024.

Each Economic Study cycle shall be initiated by the ISO providing the Planning Advisory Committee with notice that the ISO will be initiating the process for the Economic Study cycle. The ISO shall provide to the Planning Advisory Committee the schedule for the Economic Study cycle within three months of initiating the process. The schedule shall include dates for the ISO's collection, and stakeholders' submission, of data to be used in the studies, the preparation of models, the completion of studies, and the issuance of study results. The schedule shall include a one-month period for stakeholders to submit proposals for the Stakeholder-Requested Scenario. If the Economic Study cycle and potential resulting competitive request for proposals process cannot be completed within the initial schedule, the ISO shall notify stakeholders of such, provide a revised estimated completion date, and provide an explanation of the reason or reasons why the additional time is required.

17.4 Preparation of the Economic Study Reference Scenarios and Stakeholder Sensitivity Requests

The ISO shall prepare and post on its website a proposed scope for the scenarios described in Section 17.2, and the associated parameters and assumptions. The ISO shall either provide the Planning Advisory Committee with notice that the ISO posted the information or send the information itself to the Planning Advisory Committee after it is posted. A Planning Advisory Committee meeting will be held thereafter

to solicit stakeholder input for consideration by the ISO on the study's scope, parameters, and assumptions.

Following the analyses, runs, and presentation of the results of the Economic Study reference scenarios described in Section 17.2, stakeholders may request, and the ISO may propose, additional sensitivities to test the effect of a specific change to input assumptions. The sensitivities shall be limited to a single theme or category of changes to allow for better understanding of the causal effect of the change to the results. The ISO shall prioritize and list the sensitivities that can be completed during the Economic Study cycle taking into consideration the impact of the additional efforts on the ISO resources and other priorities.

Results from studies conducted with stakeholder-requested scenario sensitivities shall be used for information purposes only. Any identified market efficiency issues resulting from a study with a stakeholder-requested scenario sensitivity shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

17.5 Market Efficiency Needs Assessment

The ISO shall use the Market Efficiency Needs Scenario and criteria in Attachment N to identify market efficiency issues on the PTF portion of the New England Transmission System and, as applicable, identify market efficiency needs on the PTF portion of the New England Transmission System.

All of the market efficiency issues and associated benefits of relieving those issues will be documented in a market efficiency Needs Assessment conducted pursuant to Section 4.1 of this Attachment.

Any market efficiency issues that meet the criteria in Attachment N will be identified as market efficiency needs, and a request for proposal or multiple requests for proposals will be issued to initiate the competitive solution process for Market Efficiency Transmission Upgrades to address the identified market efficiency need or needs pursuant to Section 4.3 of this Attachment.

17.6 Evaluation of Regulated Transmission Solutions for Market Efficiency Transmission Upgrades

The process in Section 4.3 of this Attachment shall be used to solicit and evaluate competitive solutions for identified market efficiency needs.

17.7 Stakeholder Input on Study Results

After the results from the Economic Study reference scenarios described in Section 17.2 and stakeholder-requested scenario sensitivities described in Section 17.4 are available, the ISO shall provide such results to stakeholders at Planning Advisory Committee meetings and solicit feedback based on the results.

17.8 Economic Studies Requested by Individual Stakeholders

An individual stakeholder may request that the ISO conduct Economic Studies at the stakeholder's own expense to examine situations where potential regulated transmission solutions, market responses, or investments could result in (i) a net reduction in total production cost to supply system load based on the factors specified in Attachment N of this OATT, (ii) reduced congestion, or (iii) the integration of new resources or loads, or both, on an aggregate or regional basis. The scope, assumptions, and deliverables shall be agreed to by the ISO and the stakeholder requesting the study. The notice and schedule initiating the Economic Study process described in Section 17.3 shall include the dates for submitting requests for studies under this Section 17.8.

The ISO may hire a consultant to conduct the analysis, and the entity requesting the study shall be responsible for the ISO's costs for study administration, study analysis, and consultants used to perform the study.

The ISO shall provide an estimated cost and duration to each stakeholder that requests an Economic Study. Each stakeholder that requests a study under this Section 17.8 shall provide written confirmation with the ISO that the stakeholder would like the ISO to proceed with conducting the study after receiving the estimated cost and duration for the study it requested.

The results from studies conducted pursuant to this Section 17.8 shall be used for informational purposes only. Any identified market efficiency issues resulting from studies conducted pursuant to this Section 17.8 shall not be evaluated as a market efficiency need against the factors and metrics in Attachment N.

17.9 Cost Recovery

The costs of the Economic Study process described in Sections 17.1 through 17.7 shall be recovered by the ISO pursuant to Schedule 1 of Section IV.A of the Tariff. The costs of Economic Studies performed

by the ISO under Section 17.8 of this Attachment shall be paid for by the stakeholder requesting the study.

17.10 Coordination with PTOs

The PTOs shall coordinate with the ISO in the performance of the Economic Study process pursuant to and as described in Section 5 of this Attachment.

ATTACHMENT K APPENDIX 1
ATTACHMENT K -LOCAL
LOCAL SYSTEM PLANNING PROCESS

APPENDIX 1
ATTACHMENT K -LOCAL
LOCAL SYSTEM PLANNING PROCESS

1. Local System Planning Process

1.1 General

In circumstances where transmission system planning for Non-Pool Transmission Facilities (“Non-PTF”)¹, including Local Public Policy Transmission Upgrades, is taking place in New England that is not incorporated into the RSP planning process, the following Local System Plan (“LSP”) process will be utilized for transmission planning purposes. The purpose of the LSP is to enable formal stakeholder input to planning for Non-PTF that is not incorporated into the RSP. The LSP shall ensure the opportunity for Planning Advisory Committee participation in the LSP process. The LSP will not be subject to approval by the ISO or the ISO Board under the RSP.

1.2 Planning Advisory Committee Review

The Planning Advisory Committee shall periodically provide input and feedback to the PTOs concerning the development of the LSP and the conduct of associated system enhancement and expansion studies. It is contemplated that LSP issues for identified local areas will be periodically addressed at the end of regularly scheduled Planning Advisory Committee meetings. Regular meetings of the Planning Advisory Committee shall be extended as necessary to serve the purposes of this section. Each PTO contemplating the addition of new Non-PTF will present its respective LSP to the Planning Advisory Committee not less than once per year. Not less than every three years, each PTO will post a notice as part of its LSP process indicating that members of the Planning Advisory Committee, NESCOE, or any state may provide the PTO with input regarding state and federal Public Policy Requirements identified as driving transmission needs relating to Non-PTF and regarding particular local transmission needs driven by Public Policy Requirements. The PTO will provide a written explanation, to be posted on the ISO website, of why suggested transmission needs driven by Public Policy Requirements will or will not be evaluated for potential solutions in the LSP planning process.

1.3 Role of the PTOs

¹ For absence of doubt, the PTOs clarify that Non-PTF is meant to include Category B and Local Area Facilities as defined by the TOA.

Each PTO will be responsible for administering the LSP process pertaining to its own Non-PTF, including Local Public Policy Transmission Upgrades, by presenting LSP information to the Planning Advisory Committee, developing an appropriate needs analysis and addressing LSP needs within its local area. In developing its LSP, each PTO will ensure comparable treatment of similarly situated customers or potential customers and will take into consideration data, comments and specific requests supplied by the Planning Advisory Committee, Transmission Customers and other stakeholders. To the extent that generation and/or demand resources are identified that could impact planning for Non-PTF, each PTO will take such resources into account when developing the LSP for its facilities, consistent with Good Utility Practice. Each PTO will also be responsible for addressing issues or concerns arising out of Planning Advisory Committee review of its proposed LSP and posting its LSP and the LSP Project List.

1.4 Description of LSP

The LSP shall describe the projected improvements to Non-PTF that are needed to maintain system reliability or as Local Public Policy Transmission Upgrades, and shall reflect the results of such reviews within the limited geographical areas that pertain to the LSP, as determined by each PTO (“LSP Needs Assessments”), and corresponding system planning and expansion studies. The LSP Needs Assessments will be coordinated with the RSP and include the information that the ISO-NE incorporates into the RSP plans, as applicable. The proponents of regulated transmission proposals in response to LSP Needs Assessments shall also identify any RSP plans that require coordination with their regulated transmission proposals addressing the Non-PTF system needs.

The LSP shall identify the planning process, criteria, data, and assumptions used to develop the LSP. To the extent the current LSP utilizes data, assumptions or criteria used by the ISO in the RSP, any such data, assumptions or criteria will also be identified in the LSP.

Each PTO shall consult with NESCOE and applicable states, local authorities and stakeholders to consider their views prior to including a Local Public Transmission Upgrade in its LSP, as described in Section 1.6.

Each PTO’s LSP will be made available on a website for review by the Planning Advisory Committee, Transmission Customers and other stakeholders, subject to the ISO New England Information Policy and

CEII restrictions or requirements. The ISO's posting of the RSP and the RSP Project List will include links to each PTO's specific LSP posting.

The LSP of a particular PTO shall be posted not less than 3 business days prior to its presentation by the PTO to the Planning Advisory Committee. The Planning Advisory Committee, Transmission Customers, and other stakeholders will have 30 days from the date of the PTO's presentation to the Planning Advisory Committee to provide any written comments for consideration by the PTO. The LSP shall specify the physical characteristics of the solutions that can meet the needs identified in the LSP. The LSP shall provide sufficient information to allow Market Participants to assess the quantity, general locations and operating characteristics of the type of incremental supply or demand-side resources, or merchant transmission projects, that would satisfy the identified needs or that may serve to modify, offset or defer proposed regulated transmission upgrades.

Each year's LSP shall be based upon the LSP completed in the prior year by either recertifying the results of the prior LSP or providing specific updates.

1.5 Economic Studies

To the extent that the ISO selects any Economic Studies pursuant to Section 4.1(b) of Attachment K or otherwise performs Economic Studies that will impact Non-PTF, the PTOs will coordinate with the ISO in the performance of such Economic Studies.

1.6 Public Policy Studies

As part of the LSP process, each PTO will evaluate potential transmission solutions on its Non-PTF system that are likely to be both efficient and cost-effective for meeting Public Policy Requirements.

1.6A Process to Identify Public Policy Requirements Driving Non-PTF Transmission Needs

Within six months of publication, each PTO will review the Public Policy Requirements posted by the ISO to determine and evaluate at a high level any public policy needs potentially driving transmission needs on their respective Non-PTF systems. Such evaluations will also include potential public policy needs suggested by third parties. Each PTO will review NESCOE's written explanation of which transmission needs driven by state or federal Public Policy Requirements will be evaluated by the ISO and why other suggested transmission needs will not be evaluated. If NESCOE does not provide a listing

of identified transmission needs and explanation, each PTO will review the ISO's explanations of which transmission needs driven by state or federal Public Policy Requirements will be evaluated by the ISO and why other suggested transmission needs will not be evaluated. In addition, each PTO will review the ISO's explanation of which transmission needs driven by local Public Policy Requirements will be evaluated in the regional system planning process and why other suggested transmission needs driven by local Public Policy requirements will not be evaluated. Each PTO will then determine if any of the posted state, federal or local Public Policy Requirements are driving a need on its Non-PTF transmission system and will include the non-PTF needs in its local planning process.

As part of the local planning process, each PTO will list the identified transmission needs on its non-PTF transmission system driven by state, federal, or local Public Policy Requirements that will be evaluated, and provide an explanation of why any identified transmission needs will not be evaluated as part of its LSP. The list will be posted in the PTO's LSP and presented at the annual PAC meeting. The PTO will seek input at the PAC meeting from stakeholders about whether further study is warranted to identify solutions for local transmission system needs and seek recommendations about whether to proceed with such studies. A stakeholder may provide written input on the list within 30 days from the date of presentation for consideration by the PTO. Each PTO will then confirm, or modify if appropriate, its determination of which identified transmission needs on its non-PTF transmission system driven by state, federal, or local Public Policy Requirements will be evaluated and which will not be evaluated, and revise its annual LSP accordingly. If the potential Non-PTF transmission needs identified would affect the Non-PTF facilities of more than one PTO, the affected PTOs will coordinate their efforts with other affected PTOs, as necessary.

1.6B Procedure for Evaluating Potential Public Policy Solutions on the Non-PTF

Once it has been determined that a non-PTF need driven by state, federal or local Public Policy Requirements will be evaluated, each PTO will prepare a scope and associated assumptions as part of a Public Policy Local Transmission Study. For those needs where a scope is available, a PTO may present the proposed scope for the Public Policy Local Transmission Study within its LSP and as part of its LSP presentation described in Section 1.6A. A stakeholder may provide written input to the scope within 30 days after the LSP presentation for the PTO to consider.

Each PTO will schedule a follow-up PAC meeting presentation for additional stakeholder input within 4 months after the PTO's LSP presentation as described in Section 1.6A if the proposed scope for a Public

Policy Local Transmission Study was not included in its annual LSP presentation. Within 30 days after the follow-up meeting, a stakeholder may provide written input to the scope for the PTO to consider. Subsequently, the PTO will determine the study scope for the Public Policy Local Transmission Study and revise its annual LSP.

In preparation of a Public Policy Local Transmission Study that will be presented to the PAC as part of the LSP for the following year, the PTO will undertake the following: First, the PTO will perform the initial phase of the Public Policy Local Transmission Study to develop an estimate of costs and benefits and post its preliminary results on a website. Second, the PTO will use good faith efforts to contact stakeholders and the appropriate state and/or local authorities informing them of the posting, requesting input on whether further study is warranted to identify solutions for local transmission system needs, and seeking recommendations about whether to proceed with further planning and construction of a Local Public Policy Transmission Upgrade. Each PTO will then make a determination of whether further study is warranted to identify solutions for local transmission system needs, or will select its final solution, and revise its annual LSP accordingly. If the potential Non-PTF transmission needs identified would affect the Non-PTF facilities of more than one PTO, the affected PTOs will coordinate their efforts with other affected PTOs, as necessary. Results of a Public Policy Local Transmission Study will be provided to the PAC as part of the LSP for the following year.

2. Posting of LSP Project List

Each PTO shall develop, maintain and make available on a website, a cumulative listing of proposed regulated transmission solutions that may meet LSP needs (the “LSP Project List”). The LSP Project List will be updated at least annually. The LSP Project List shall also provide reasons for any new Non-PTF, including Local Public Policy Transmission Upgrades, any change in status of proposed Non-PTF, including Local Public Policy Transmission Upgrades, or any removal of proposed Non-PTF, including Local Public Policy Transmission Upgrades, from the LSP Project List. Each PTO will be individually responsible for publicly posting and updating the status of its respective LSP and the transmission projects arising therefrom on a website in a format comparable to the manner in which RSP plans and projects are posted on the RSP Project List. The ISO’s posting of the RSP and RSP Project List will include links to each PTO’s specific LSP Project List.

3. Posting of Assumptions and Criteria

Each PTO will make available on a website the planning criteria and assumptions used in its current LSP. A link to each PTO's planning criteria and assumptions will be posted on the ISO website.

4. Cost Responsibility for Transmission Upgrades

The cost responsibility for each upgrade, modification or addition to the transmission system in New England that is included in the LSP Project List of this Appendix 1 shall be determined in accordance with Schedule 21 of this OATT.

5. LSP Dispute Resolution Procedures

5.1 Objective

Section 5 of this Appendix 1 sets forth an LSP dispute resolution process (the "LSP Dispute Resolution Process") through which LSP-related transmission planning-related disputes may be resolved as expeditiously as possible.

5.2 Confidential Information and CEII Protections

All information disclosed in the course of the LSP Dispute Resolution Process shall be subject to the protection of confidential information and CEII consistent with the ISO New England Information Policy and CEII policy.

5.3 Eligible Parties

Any member of the Planning Advisory Committee that has been adversely affected by a PTO's Reviewable Determination with respect to the LSP transmission planning process described in this Appendix 1 is eligible to raise its dispute, as appropriate, under this LSP Dispute Resolution Process ("Disputing Party").

5.4 Scope

In order to ensure that the LSP transmission planning process set forth under this Appendix 1 moves expeditiously forward, the scope of issues that may be subject to the LSP Dispute Resolution Process under this Section 5 shall be limited to certain key procedural and substantive decisions made by the applicable PTO within its authority as specified in documents on file with the Commission. That is, decisions not subject to resolution within the jurisdiction of the Commission are not within the scope of

this LSP Dispute Resolution Process. Examples of matters not within the scope of the LSP Dispute Resolution Process include planning to serve retail native load or state siting issues. Additionally, the Tariff already explicitly provides specific dispute resolution procedures for various matters. To this end, any matter regarding the review and approval of applications pursuant to Section I.3.9 of the Tariff, which is subject to the dispute resolution process under Section I.6 of the Tariff, shall not be within the scope of this LSP Dispute Resolution Process. Similarly, any matter regarding Transmission Cost Allocation shall be governed by the dispute resolution process under Schedule 12 of the OATT, and shall be outside the scope of this LSP Dispute Resolution Process.

(a) Reviewable Determinations:

The LSP determinations made by the applicable PTO that may be subject to the LSP Dispute Resolution Process under this Section 5 ("Reviewable LSP Determination") shall include certain procedural and substantive challenges at designated key decision points during the LSP transmission planning process for Non-PTF, including Local Public Policy Transmission Upgrades ("Key LSP Decision Points"). Procedural challenges will be limited to whether or not the steps taken up to a Key LSP Decision Point conform to the requirements set forth in this Appendix 1. Substantive challenges will be limited to whether or not a determination or conclusion rendered at a Key LSP Decision Point was supported by adequate basis in fact. The Key LSP Decision Points shall be limited to the following:

- (i) Results of an LSP Needs Assessment conducted and communicated by a PTO to the Planning Advisory Committee as specified in this Appendix 1;
- (ii) Updates to the LSP Project List, including adding, removing or revising regulated Non-PTF transmission solutions included thereunder, as presented at the Planning Advisory Committee and as specified in this Appendix 1;
- (iii) Results of Non-PTF transmission solutions studies, including any Local Public Policy Transmission Upgrade studies, conducted and communicated by the PTO to the Planning Advisory Committee as specified in this Appendix 1; and

- (iv) Consideration of market responses in LSP Needs Assessments as specified in this Appendix 1.

(b) Material Adverse Impact

In order to prevail in a challenge to a procedural-based Reviewable LSP Determination, the Disputing Party must show that the alleged procedural error had a material adverse impact on the determination or conclusion made by the applicable PTO. In order to prevail in a challenge to a substantive-based Reviewable LSP Determination, the Disputing Party must show that either (i) the determination is based on incorrect data or assumptions or (ii) incorrect analysis was performed by the PTO, and (iii) as a result thereof, the PTO made an incorrect decision or determination.

5.5 Notice and Comment

A Disputing Party aggrieved by a PTO's Reviewable LSP Determination shall have fifteen (15) calendar days upon learning of the Reviewable LSP Determination following the PTO's presentation of such LSP Reviewable Determination at the Planning Advisory Committee to request dispute resolution by giving notice to the Applicable PTO ("Request for LSP Dispute Resolution").

A Request for LSP Dispute Resolution shall be in writing and shall be provided to the applicable PTO and, as appropriate, other affected Transmission Owners. Within three (3) Business Days of the receipt by a PTO of a Request for Dispute Resolution, the PTO, in coordination with the ISO, shall prepare and distribute to all members of the Planning Advisory Committee a notice of the Request for Dispute Resolution including, subject to the protection of Confidential Information and CEII, the specifics of the Request for Dispute Resolution and providing the name of a PTO representative to whom any comments may be sent. Any member of the Planning Advisory Committee may submit to the PTO's designated representative, on or before the tenth (10th) Business Day following the date the PTO distributes the notice of the Request for Dispute Resolution, written comments to the PTO with respect to the Request for Dispute Resolution. The Disputing Party filing the Request for Dispute Resolution may respond to any such comments by submitting a written response to the PTO's designated representative and to the commenting party on or before the fifteenth (15th) Business Day following the date the PTO distributes the notice of the Request for Dispute Resolution. The PTO may, but is not required to, consider any written comments.

5.6 Dispute Resolution Procedure

(a) Resolution Through the Planning Advisory Committee

The Planning Advisory Committee shall discuss and resolve any LSP related dispute arising under this Appendix 1 involving a Reviewable LSP Determination, as defined in Section 5.4 of this Appendix 1, between and among the applicable PTO, the Disputing Party, and, as appropriate, other affected Transmission Owners and the ISO (collectively, “Parties”) (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution).

(b) Resolution Through Informal Negotiation

To the extent that the Planning Advisory Committee is not able to resolve a dispute arising under this Appendix 1 involving a Reviewable LSP Determination, as defined in Section 5.4 of this Appendix 1, between and among the Parties, such dispute shall be the subject of good-faith negotiations among the Parties. Each Party shall designate a fully authorized senior representative for resolution on an informal basis as promptly as practicable.

(c) Resolution Through Alternative Dispute Resolution

In the event the designated representatives are unable to resolve the dispute through informal negotiations within thirty (30) days, or such other period as the Parties may agree upon, by mutual agreement of the Parties, such LSP related dispute may be submitted to mediation or any other form of alternative dispute resolution upon the agreement of all Parties to participate in such mediation or other alternative dispute resolution process. Such form of alternative dispute resolution shall not include binding arbitration.

If a Party identifies exigent circumstances reasonably requiring expedited resolution of the LSP related dispute, such Party may file a Complaint with the Commission or seek other appropriate redress before a court of competent jurisdiction

5.7 Notice of Results of Dispute Resolution

Within three (3) Business Days following the resolution of a dispute pursuant to either Section 5.6(b) or 5.6(c) of this Appendix 1, the PTO shall distribute to members of the Planning Advisory Committee a document reflecting the resolution.

5.8 Rights under the Federal Power Act:

Nothing in this Appendix 1 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

ATTACHMENT K APPENDIX 2
LIST OF ENTITIES ENROLLED IN THE TRANSMISSION PLANNING REGION

APPENDIX 2

ATTACHMENT K

LIST OF ENTITIES ENROLLED IN THE TRANSMISSION PLANNING REGION

The entities listed in this Appendix 2 are those enrolled for the purpose of participating as a transmission provider in the New England transmission planning region pursuant to Attachment K as of the date the revisions to this Appendix 2 were filed with the Commission. The most current list of entities enrolled for the purpose of participating as a transmission provider in the New England transmission planning region pursuant to Attachment K is available on the ISO-NE website. This Appendix 2 will be updated to reflect any subsequent enrollments as part of unrelated OATT filings at the time ISO-NE undertakes such unrelated filings.

Town of Braintree Electric Light Department

Central Maine Power Company

Chicopee Municipal Lighting Plant

The Connecticut Light and Power Company

Connecticut Municipal Electric Energy Cooperative

Connecticut Transmission Municipal Electric Energy Cooperative

Cross-Sound Cable Company, LLC

Fitchburg Gas and Electric Light Company

Green Mountain Power Corporation

The City of Holyoke Gas and Electric Department

Town of Hudson Light & Power Department

Maine Electric Power Company

Massachusetts Municipal Wholesale Electric Company

Town of Middleborough Gas & Electric Department

The Narragansett Electric Company d/b/a Rhode Island Energy

New England Electric Transmission Corporation

New England Energy Connection, LLC

New England Hydro-Transmission Corporation

New England Hydro-Transmission Electric Company Inc.
New England Power Company d/b/a National Grid
New Hampshire Electric Cooperative, Inc.
New Hampshire Transmission, LLC
Town of Norwood Municipal Light Department
NSTAR Electric Company
Public Service Company of New Hampshire
Town of Reading Municipal Light Department
Shrewsbury Electric & Cable Operations
Town of Stowe Electric Department
Taunton Municipal Lighting Plant
The United Illuminating Company
Unitil Energy Systems, Inc.
Vermont Electric Cooperative, Inc.
Vermont Electric Power Company, Inc.
Vermont Electric Transmission Company
Vermont Public Power Supply Authority
Vermont Transco LLC
Versant Power
Town of Wallingford, CT, Department of Public Utilities, Electric Division

ATTACHMENT K APPENDIX 3

LIST OF QUALIFIED TRANSMISSION PROJECT SPONSORS

The entities listed in this Appendix 3 are those approved by ISO-NE as Qualified Transmission Project Sponsors as of the date the revisions to this Appendix 3 were filed with the Commission. The most current list of entities approved as Qualified Transmission Project Sponsors is available on the ISO-NE website. This Appendix 3 will be updated to reflect any subsequent enrollments as part of unrelated OATT filings at the time ISO-NE undertakes such unrelated filings.

Anbaric Development Partners, LLC

Avangrid Networks, Inc.

Central Maine Power Company

Connecticut Transmission Municipal Electric Cooperative

Versant Power

Eversource Energy Transmission Ventures, Inc.

NGV US Transmission Inc.

Hudson Light and Power Department

Maine Electric Power Company

Massachusetts Municipal Wholesale Electric Company

Middleboro Gas & Electric Department

Narragansett Electric Company d/b/a Rhode Island Energy

New England Energy Connection, LLC

New England Power Company

New Hampshire Transmission, LLC

Norwood Municipal Light Department

NSTAR Electric Company

PPL Translink, Inc.

Public Service Company of New Hampshire

SP Transmission, LLC

Taunton Municipal Light Plant

The City of Holyoke Gas and Electric Department

The Connecticut Light and Power Company

Town of Braintree Electric Light Department

Transource New England, LLC

United Illuminating Company

Vermont Transco, LLC

III.13. Forward Capacity Market.

The ISO shall administer a forward market for capacity (“Forward Capacity Market”) in accordance with the provisions of this Section III.13. For each one-year period from June 1 through May 31, starting with the period June 1, 2010 to May 31, 2011, for which Capacity Supply Obligations are assumed and payments are made in the Forward Capacity Market (“Capacity Commitment Period”), the ISO shall conduct a Forward Capacity Auction in accordance with the provisions of Section III.13.2 to procure the amount of capacity needed in the New England Control Area and in each modeled Capacity Zone during the Capacity Commitment Period, as determined in accordance with the provisions of Section III.12. To be eligible to assume a Capacity Supply Obligation for a Capacity Commitment Period through the Forward Capacity Auction, a resource must be accepted in the Forward Capacity Auction qualification process in accordance with the provisions of Section III.13.1.

III.13.A Forward Capacity Market Interim Provisions.

III.13.A.1 Interim Forward Capacity Auction Schedules.

Notwithstanding any other any dates, date ranges and/or deadlines for activities related to the Forward Capacity Auction established in or pursuant to any provision of the ISO New England Operating Documents, for the nineteenth through thirty-seventh Forward Capacity Auctions (associated with the 2028-2029 through 2046-2047 Capacity Commitment Periods, respectively), the following provisions apply.

III.13.A.1.1 Nineteenth Forward Capacity Auction Delayed

For the nineteenth Forward Capacity Auction (associated with the 2028-2029 Capacity Commitment Period), the dates, date ranges and/or deadlines for activities related to the Forward Capacity Auction established in or pursuant to any provision of the ISO New England Operating Documents shall not apply and shall be delayed by three calendar years.

III.13.A.1.2 First Annual Reconfiguration Auction Suspension

For the nineteenth through thirty-sixth Forward Capacity Auctions (associated with the 2028-2029 through 2045-2046 Capacity Commitment Periods, respectively), the first annual reconfiguration auction as specified in Section III.13.4 that is typically held in the month of June, approximately 24 months before the start of the applicable Capacity Commitment Period, shall not be conducted.

III.13.A.1.3 Second Annual Reconfiguration Auction Suspension

For the nineteenth through twenty-seventh Forward Capacity Auctions (associated with the 2028-2029 through 2036-2037 Capacity Commitment Periods, respectively), the second annual reconfiguration auction as specified in Section III.13.4 that is typically held in the month of August, approximately 10 months before the start of the applicable Capacity Commitment Period, shall not be conducted.

III.13.A.1.4 Third Annual Reconfiguration Auction Suspension

For the nineteenth through twenty-first Forward Capacity Auctions (associated with the 2028-2029 through 2030-2031 Capacity Commitment Periods, respectively), the third annual reconfiguration auction as specified in Section III.13.4 that is typically held in the month of March, approximately three months before the start of the applicable Capacity Commitment Period, shall not be conducted.

III.13.A.1.5 Accelerated Qualification Period and Auctions

For the twentieth through thirty-seventh Forward Capacity Auctions (associated with the 2029-2030 through 2046-2047 Capacity Commitment Periods, respectively), the Forward Capacity Auction, and the qualification process for each such auction, shall be conducted under a 10-month timeline in accordance with the key dates set forth in the schedule below. For each Forward Capacity Auction specified in the table below, the ISO shall publish the dates, date ranges and deadlines for activities related to the respective Forward Capacity Auction no later than six months before the applicable notification to Lead Market Participants of their Existing Capacity Resource's summer Qualified Capacity and winter Qualified Capacity values as specified in Section III.13.1.2.3(a).

Capacity Commitment Period	Forward Capacity Auction Date	Revised annual reconfiguration auction Dates (as applicable)
2028-2029	February 2028	No reconfiguration auctions
2029-2030	December 2028	No reconfiguration auctions
2030-2031	October 2029	No reconfiguration auctions
2031-2032	August 2030	Third annual reconfiguration auction March 2031
2032-2033	June 2031	Third annual reconfiguration auction March 2032
2033-2034	April 2030	Third annual reconfiguration auction March 2033
2034-2035	February 2033	Third annual reconfiguration auction March 2034

2035-2036	December 2033	Third annual reconfiguration auction March 2035
2036-2037	October 2034	Third annual reconfiguration auction March 2036
2037-2038	August 2035	Second annual reconfiguration auction August 2036; Third annual reconfiguration auction March 2037
2038-2039	June 2036	Second annual reconfiguration auction August 2037; Third annual reconfiguration auction March 2038
2039-2040	April 2037	Second annual reconfiguration auction August 2038; Third annual reconfiguration auction March 2039
2040-2041	February 2038	Second annual reconfiguration auction August 2039; Third annual reconfiguration auction March 2040
2041-2042	December 2038	Second annual reconfiguration auction August 2040; Third annual reconfiguration auction March 2041
2042-2043	October 2039	Second annual reconfiguration auction August 2041; Third annual reconfiguration auction March 2042
2043-2044	August 2040	Second annual reconfiguration auction August 2042; Third annual reconfiguration auction March 2043
2044-2045	June 2041	Second annual reconfiguration auction August 2043; Third annual reconfiguration auction March 2044
2045-2046	April 2042	Second annual reconfiguration auction August 2044; Third annual reconfiguration auction March 2045
2046-2047	February 2043	Regular annual reconfiguration auction schedule applies

The ISO may adjust any published date, date range and/or deadline for Forward Capacity Auction activities by 10 Business Days if needed, and shall publish a revised date, date range and/or deadline no later than 30 days in advance of such adjustment.

III.13.A.2. Interim Reconfiguration Auction Qualification.

- (a) Notwithstanding any other provision of the ISO New England Operating Documents, a New Capacity Resource that has not already acquired a Capacity Supply Obligation and intends to achieve Commercial Operation as defined in Section III.13.1.1.2.2.2(h) before June 1, 2028, may qualify for the annual reconfiguration auction, monthly reconfiguration auction and bilateral activities described in Section III.13.4 and Section III.13.5 occurring in 2025, 2026, 2027 and

2028 for the 2024-2025 Capacity Commitment Period associated with the fifteenth Forward Capacity Auction, 2025-2026 Capacity Commitment Period associated with the sixteenth Forward Capacity Auction, 2026-2027 Capacity Commitment Period associated with the seventeenth Forward Capacity Auction and 2027-2028 Capacity Commitment Period associated with the eighteenth Forward Capacity Auction as, applicable, under this section providing the following conditions are met:

- (1) The Project Sponsor submits qualification materials as described in Section III.13.1, including a New Capacity Show of Interest Form in April 2024 and a New Capacity Qualification Package in June 2024. The ISO shall post a list of the required materials on its website and a complete schedule for their submittal at least 60 days in advance; and
- (2) The Project Sponsor requests that the ISO monitor the New Capacity Resource's compliance with its critical path schedule as described in Section III.13.3.1.1 by November 1, 2024.

(b) Notwithstanding any other provision of the ISO New England Operating Documents, a New Capacity Resource that has not already acquired a Capacity Supply Obligation, and intends to achieve Commercial Operation as defined in Section III.13.1.1.2.2.2(h) before June 1, 2028, may qualify for the annual reconfiguration auction, monthly reconfiguration auction and bilateral activities described in Section III.13.4 and Section III.13.5 occurring in 2026, 2027, and 2028 for the 2025-2026 Capacity Commitment Period associated with the seventeenth Forward Capacity Auction, and the 2027-2028 Capacity Commitment Period associated with the eighteenth Forward Capacity Auction, as applicable, under this section providing the following conditions are met:

- (1) The Project Sponsor submits qualification materials as described in Section III.13.1, including a New Capacity Show of Interest Form in April 2025 and a New Capacity Qualification Package in June 2025. The ISO shall post a list of the required materials on its website and a complete schedule for their submittal at least 60 days in advance; and
- (2) The Project Sponsor requests that the ISO monitor the New Capacity Resource's compliance with its critical path schedule as described in Section III.13.3.1.1 by the first Business Day occurring in November 2025.

(c) Notwithstanding any other provision of the ISO New England Operating Documents, a New Capacity Resource that has not already acquired a Capacity Supply Obligation and intends to achieve Commercial Operation as defined in Section III.13.1.1.2.2.2(h) before June 1, 2028, may

qualify for the annual reconfiguration auction, monthly reconfiguration auction and bilateral activities described in Section III.13.4 and Section III.13.5 occurring in 2027 and 2028 for the 2026-2027 Capacity Commitment Period associated with the seventeenth Forward Capacity Auction, and the 2027-2028 Capacity Commitment Period associated with the eighteenth Forward Capacity Auction, as applicable, under this section providing the following conditions are met:

- (1) The Project Sponsor submits qualification materials as described in Section III.13.1, including a New Capacity Show of Interest Form in April 2026 and a New Capacity Qualification Package in June 2026. The ISO shall post a list of the required materials on its website and a complete schedule for their submittal at least 60 days in advance; and
- (2) The Project Sponsor requests that the ISO monitor the New Capacity Resource's compliance with its critical path schedule as described in Section III.13.3.1.1 by the first Business Day occurring in November 2026.

III.13.A.3. Interim Provisions Regarding Demand Capacity Resources.

Notwithstanding any other provision of the ISO New England Operating Documents, for the nineteenth Forward Capacity Auction (associated with the 2028-2029 Capacity Commitment Period), a New Demand Capacity Resource is an Active Demand Capacity Resource that has not cleared in a previous Forward Capacity Auction, or an On-Peak Demand Resource consisting of measures that have not been in service prior to June 1, 2024, or a Seasonal Peak Demand Resource consisting of measures that have not been in service prior to June 1, 2024.

III.13.1. Forward Capacity Auction Qualification.

Each resource, or portion thereof, must qualify as a New Generating Capacity Resource (Section III.13.1.1), an Existing Generating Capacity Resource (Section III.13.1.2), a New Import Capacity Resource or Existing Import Capacity Resource (Section III.13.1.3), a New Demand Capacity Resource or Existing Demand Capacity Resource (Section III.13.1.4) or a New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource (Section III.13.1.4A). Each resource must be at least 100 kW in size to participate in the Forward Capacity Auction, except for resources registered with the ISO prior to the earliest date that any portion of this Section III.13 becomes effective. An offer may be composed of separate resources, pursuant to the provisions of Section III.13.1.5. Pursuant to the provisions of this Section III.13.1, the ISO shall determine a summer Qualified Capacity and a winter Qualified Capacity for each resource, and an FCA Qualified Capacity for each Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, Existing Distributed Energy Capacity Resource, New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, and New Distributed Energy Capacity Resource.

All Project Sponsors must be Market Participants no later than 30 days prior to the deadline for submitting the FCM Deposit. The Lead Market Participant for a resource participating in a Forward Capacity Auction may not change in the 15 Business Days prior to, or during, that Forward Capacity Auction.

III.13.1.1. New Generating Capacity Resources.

To participate in a Forward Capacity Auction as a New Generating Capacity Resource, a resource or proposed resource must meet the requirements of this Section III.13.1.1.

III.13.1.1.1. Definition of New Generating Capacity Resource.

A resource or a portion of a resource that is not a New Import Capacity Resource or Existing Import Capacity Resource (as defined in Section III.13.1.3), a New Demand Capacity Resource or Existing Demand Capacity Resource (as defined in Section III.13.1.4), or a New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource (as defined in Section III.13.1.4A) shall be considered a New Generating Capacity Resource for participation in a Forward Capacity Auction if either: (i) the resource has never previously been counted as a capacity resource as described in Section III.13.1.1.1.1; or (ii) the resource, or a portion thereof, meets one of the criteria in Section III.13.1.1.1.2.

III.13.1.1.1. Resources Never Previously Counted as Capacity.

(a) A resource, or a portion thereof, will be considered to have never been counted as a capacity resource if it has not cleared in any previous Forward Capacity Auction.

(b) [Reserved.]

(c) Where a New Generating Capacity Resource was accepted for participation in the qualification process for a previous Forward Capacity Auction, but cleared less than its summer Qualified Capacity in that previous Forward Capacity Auction and is having its critical path schedule monitored by the ISO in accordance with Section III.13.3, the portion of the resource that did not clear in the previous Forward Capacity Auction shall be a New Generating Capacity Resource in the subsequent Forward Capacity Auction. Such a New Generating Capacity Resource must satisfy all of the qualification process requirements applicable to a New Generating Capacity Resource as described in Section III.13.1.1.2, except that the Project Sponsor is not required to resubmit documentation demonstrating site control (Section III.13.1.1.2.2.1) or to resubmit a critical path schedule (Section III.13.1.1.2.2.2) or to provide a new Qualification Process Cost Reimbursement Deposit (Section III.13.1.1.2.1(e)).

III.13.1.1.2. Resources Previously Counted as Capacity.

A resource that has previously been counted as a capacity resource, including a deactivated or retired capacity resource, may elect to participate in the Forward Capacity Auction as a New Generating Capacity Resource, as described in this Section III.13.1.1.2. The incremental expenditure required to reactivate a resource that previously has been deactivated or retired pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions) may be included in the calculation of the dollar per kilowatt thresholds in this Section III.13.1.1.2. A resource accepted for participation in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to this Section III.13.1.1.2 shall participate in the Forward Capacity Auction pursuant to Section III.13.2.3.2(e). A Market Participant that elects to have a resource that has previously been counted as a capacity resource participate in the Forward Capacity Auction as a New Generating Capacity Resource, must notify the ISO when the existing resource ceases to operate and the New Generating Capacity Resource commences operation. If a Market Participant with a resource that has previously been counted as a capacity resource elects, pursuant to Section III.13.3.4(a)(iii), to have the resource that has previously been counted as a capacity resource cover the Capacity Supply Obligation of a New Generating Capacity Resource and the resource that has previously been counted as a capacity resource must take an outage in order for the New Generating Capacity Resource to commence Commercial Operation (as defined in

Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff), then the Market Participant must notify the ISO that the outage is for the purpose of the New Generating Capacity Resource commencing Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff). A resource shall be accepted for participation as a new resource if it complies with one of the following three subsections:

- (a) Where investment in the resource will result, by the commencement of the Capacity Commitment Period, in an increase in output by an amount exceeding the greater of: (i) 20 percent of the summer Qualified Capacity of the resource at the time of the qualification process for the Forward Capacity Auction; or (ii) 40 MW above the summer Qualified Capacity of the resource at the time of the qualification process for the Forward Capacity Auction, the whole resource shall participate in the Forward Capacity Auction as a New Generating Capacity Resource; or
- (b) Where investment in the resource subsequent to January 1, 2007 and prior to the conclusion of the first Capacity Commitment Period associated with the Capacity Supply Obligation for which treatment as a new resource may be applied, for the purposes of re-powering will be equal to or greater than \$200 per kilowatt of the whole resource's summer Qualified Capacity after re-powering, the owner of the resource may elect that the whole resource participate in the Forward Capacity Auction as a New Generating Capacity Resource. The \$200 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction; or
- (c) Where investment in the resource subsequent to January 1, 2007 and prior to the conclusion of the first Capacity Commitment Period associated with the Capacity Supply Obligation for which treatment as a new resource may be applied, for the purpose of compliance with environmental regulations or permits will be equal to or greater than \$100 per kilowatt of the whole resource's summer Qualified Capacity after the investment, the owner of the resource may elect that the whole resource participate in the Forward Capacity Auction as a New Generating Capacity Resource. The \$100 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction.

III.13.1.1.1.3. Incremental Capacity of Resources Previously Counted as Capacity.

The owner of a resource previously counted as a capacity resource may elect to have the incremental amount of capacity above the summer Qualified Capacity of the resource at the time of the qualification process participate in the Forward Capacity Auction as a New Generating Capacity Resource, where investment in the resource:

(a) will result, by the start of the Capacity Commitment Period, in an increase in output less than or equal to the greater of: (i) 20 percent of the summer Qualified Capacity of the resource at the time of the qualification process for the Forward Capacity Auction; or (ii) 40 MW; and

(b) will be equal to or greater than \$200 per kilowatt of the amount of the increase in summer Qualified Capacity resulting from the investment. The \$200 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction. These investment costs may include the costs associated with reactivating a resource that was previously deactivated pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions) and in which investment in the resource was undertaken prior to reactivation.

(c) A Project Sponsor or Lead Market Participant making an election pursuant to this Section III.13.1.1.3 must submit a New Capacity Show of Interest Form pursuant to Section III.13.1.1.2.1 and a New Capacity Qualification Package pursuant to Section III.13.1.1.2 for the incremental amount.

III.13.1.1.3.A. Treatment of New Incremental Capacity and Existing Generating Capacity at the Same Generating Resource.

For incremental summer capacity seeking to participate in the Forward Capacity Auction pursuant to Section III.13.1.1.3 or incremental winter capacity that meets the investment thresholds in Section III.13.1.1.3 as applied to the resource's winter Qualified Capacity, if the incremental summer or winter capacity does not span the entire Capacity Commitment Period, then the ISO shall match the incremental summer or winter capacity with excess existing winter or summer Qualified Capacity at that same resource, as appropriate, not to exceed the Qualified Capacity of the existing portion of the resource, in order to cover the entire Capacity Commitment Period. This provision shall not apply to Intermittent Power Resources.

III.13.1.1.4. De-rated Capacity of Resources Previously Counted as Capacity.

For purposes of the Forward Capacity Market, de-rated capacity of a resource shall be measured by the difference between the summer Qualified Capacity prior to the de-rating of the resource and the most recent summer demonstration of Seasonal Claimed Capability of a resource, as of the fifth Business Day of October. The owner of a resource previously counted as a capacity resource that has been de-rated by at least 2 percent of its summer Qualified Capacity (as an Existing Generating Capacity Resource) but by no more than the lesser of 20 percent of its summer Qualified Capacity (as an Existing Generating Capacity Resource) or 40 MW for three or more years at the time of the Forward Capacity Auction may elect to have the incremental amount of capacity above the capacity level established while de-rated treated as a New Generating Capacity Resource if it demonstrates that it will be reestablished prior to the start of the Capacity Commitment Period and that the investment in the resource for such purposes shall be equal to or greater than \$200 per kilowatt of the amount of the increase in summer Qualified Capacity resulting from the investment. The Project Sponsor must submit a New Capacity Show of Interest Form pursuant to Section III.13.1.1.2.1 and a New Capacity Qualification Package pursuant to Section III.13.1.1.2.2 for the incremental amount of capacity for the relevant Forward Capacity Auction. The \$200 threshold (in base year 2008 dollars) shall be adjusted annually in accordance with the Handy-Whitman Index of Public Utility Construction Costs reflecting data for the period ending January 1 of the year preceding the start of the qualification process for the relevant Forward Capacity Auction. The owner of a resource seeking to have the incremental amount of capacity counted as a New Generating Capacity Resource as provided in this Section, must demonstrate based on historical data that the resource previously operated at a level at least 2 percent above the de-rated amount.

III.13.1.1.1.5. Treatment of Resources that are Partially New and Partially Existing.

For purposes of this Section III.13.1, where only a portion of a single resource is treated as a New Generating Capacity Resource, either as a result of partial clearing in a previous Forward Capacity Auction or pursuant to Section III.13.1.1.1.3 or Section III.13.1.1.1.4, then except as otherwise indicated in this Section III.13.1, that portion of the resource shall be treated as a New Generating Capacity Resource, and the remainder of the resource shall be treated as an Existing Generating Capacity Resource.

III.13.1.1.1.6. Treatment of Deactivated and Retired Units.

(a) [Reserved.]

(b) A resource that previously has been deactivated or retired pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions), as applicable, that submits to

the ISO a reactivation plan demonstrating that the resource shall return to operation shall, subject to ISO review and acceptance of that reactivation plan, be treated as an Existing Generating Capacity Resource unless that resource satisfies the criteria under Section III.13.1.1.1.2 as a New Generating Capacity Resource. Such reactivation plans must be received by the ISO no later than 10 Business Days before the Existing Capacity Retirement Deadline. A resource that previously has been deactivated or retired pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions), as applicable, that submits to the ISO a reactivation plan demonstrating that the resource shall return to operation and having a material modification as described in Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions), as applicable, shall be subject to Section III.13.1.1.2.3 (Interconnection Review).

III.13.1.1.1.7 Renewable Technology Resources.

To participate in the Forward Capacity Market as a Renewable Technology Resource, a Generating Capacity Resource or an On-Peak Demand Resource (including every Asset that is part of the On-Peak Demand Resource) must satisfy the following requirements:

- (a) qualify as a Sponsored Policy Resource;;
- (b) participate in a Forward Capacity Auction for a Capacity Commitment Period beginning on or after June 1, 2026 as a New Generating Capacity Resource or New Demand Capacity Resource pursuant to Section III.13.1.1, and;
- (c) has been designated for treatment as a Renewable Technology Resource pursuant to Section III.13.1.1.2.9.

An Export Bid or Administrative Export De-List Bid may not be submitted for Generating Capacity Resources that assumed a Capacity Supply Obligation by participating in a Forward Capacity Auction as a Renewable Technology Resource.

III.13.1.1.2. Qualification Process for New Generating Capacity Resources.

For a resource to qualify as a New Generating Capacity Resource, the resource's Project Sponsor must make two separate submissions to the ISO: First, the Project Sponsor must submit a New Capacity Show of Interest Form during the New Capacity Show of Interest Submission Window. Second, the Project Sponsor must submit a New Capacity Qualification Package no later than the New Capacity Qualification

Deadline. Each of these submissions is described in more detail in this Section III.13.1.1.2. The Project Sponsor must also have, or in the case of an Import Capacity Resource seeking to qualify with an Elective Transmission Upgrade be associated with, a valid Interconnection Request or Interconnection Agreement under Schedules 22, 23 or 25 of Section II of the Transmission, Markets and Services Tariff or interconnection request or agreement under applicable state tariff, rules or procedures prior to submitting a New Capacity Show of Interest Form during the New Capacity Show of Interest Submission Window. Both the New Capacity Show of Interest Form and the New Capacity Qualification Package are required regardless of the status of the project under the Interconnection Procedures or applicable state tariff, rules or procedures. Neither the New Capacity Show of Interest Form nor the New Capacity Qualification Package constitutes a request to interconnect under the Interconnection Procedures or applicable state tariff, rules or procedures. A Project Sponsor may withdraw from the qualification process at any time prior to three Business Days before the submission of the FCM Deposit pursuant to Section III.13.1.9.1 by providing written notification of such withdrawal to the ISO. Any withdrawal, whether pursuant to this provision or as determined by the ISO (for example as described in Section III.13.1.1.2.1 or Section III.13.1.9.3), shall be irrevocable. The Project Sponsor of a withdrawn application is subject to reconciliation of its Qualification Process Cost Reimbursement Deposit described in Section III.13.1.9.3. None of the provisions of this Section III.13.1, including the interconnection review, supersedes, replaces, or satisfies any of the requirements of Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff, except as specifically provided thereunder. Determinations by the ISO pursuant to this Section III.13.1.1.2, including the interconnection review, are for purposes of qualification for participation in the Forward Capacity Auction only, and do not constitute a right or approval to interconnect, and do not guarantee the ability to interconnect.

III.13.1.1.2.1. New Capacity Show of Interest Form.

Except as otherwise provided in this Section III.13.1.1.2.1, for each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource, the Project Sponsor must submit to the ISO a New Capacity Show of Interest Form as described in this Section III.13.1.1.2.1 during the New Capacity Show of Interest Submission Window. After submission of a New Capacity Show of Interest Form, Material Modification (as defined in Section 4.4 of Schedule 22, Section 4.4 of Schedule 23, or Section 4.4 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff) may not be made to the information contained therein or the New Capacity Show of Interest Form shall be considered withdrawn. No change that may result in a reduction in capacity requested for participation in a Forward Capacity Auction may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between the date that is 143 days before the start

of the Forward Capacity Auction and the deadline for qualification determination notifications described in Section III.13.1.1.2.8. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) no change that may result in a reduction in capacity may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between September 23, 2023 and the deadline for qualification determination notifications described in Section III.13.1.1.2.8 for the eighteenth Forward Capacity Auction.

(a) A completed New Capacity Show of Interest Form shall include the following information, to the extent the information is not already provided under an active Interconnection Request under Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff, and other such information necessary to evaluate a project: the project name; the Project Sponsor's contact information; the Project Sponsor's ISO customer status; the date by which the project is expected to achieve Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff); the project address or location, and if relevant, asset identification number; the status of the project under the interconnection procedures described in Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff; whether the resource has ever previously had a Capacity Supply Obligation or previously received payment as a capacity resource pursuant to the market rules in effect prior to June 1, 2010; the capacity (in MW) of the New Generating Capacity Resource; a general description of the project's equipment configuration, including a description of the resource technology type; a simple location plan and a one-line diagram of the plant and station facilities, including any known transmission facilities; the location of the proposed interconnection; and other specific project data as set forth in the New Capacity Show of Interest Form. The ISO may waive the submission of any information not required for evaluation of a project. A completed New Capacity Show of Interest Form shall also specify the Queue Position or other unique project identifier associated with the project pursuant to Section 4.1 of Schedule 22, Section 4.1 of Schedule 23 or Section 4.1 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff, or applicable state tariff, rules or procedures. In the case of a resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource that is supported by an Internal Elective Transmission Upgrade, all Queue Positions or other unique project identifiers associated with the Internal Elective Transmission Upgrade must be submitted in the New Capacity Show of Interest Form. The Interconnection Request or Interconnection Agreement, or equivalent required under applicable state tariff, rules or procedures, must be active and consistent with the project described in the New Capacity Show of Interest Form as well as the New Capacity Qualification Package to be submitted as described in Section III.13.1.1.2.2.

(b) The Project Sponsor must submit with the New Capacity Show of Interest Form, documentation demonstrating that the Project Sponsor has already achieved control of the project site for the duration of the relevant Capacity Commitment Period pursuant to Section III.13.1.1.2.2.1.

(c) In the New Capacity Show of Interest Form, the Project Sponsor must indicate if the New Generating Capacity Resource is incremental capacity associated with a resource that previously had a Capacity Supply Obligation or previously received payment as a capacity resource pursuant to the market rules in effect prior to June 1, 2010 as discussed in Section III.13.1.1.1.3, or if the New Generating Capacity Resource is incremental capacity associated with a resource previously listed as a capacity resource that has been de-rated for three or more years at the time of the Forward Capacity Auction, as discussed in Section III.13.1.1.1.4.

(d) [Reserved.]

(e) With the New Capacity Show of Interest Form, the Project Sponsor must submit the Qualification Process Cost Reimbursement Deposit, as described in Section III.13.1.9.3.

III.13.1.1.2.2. New Capacity Qualification Package.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource, the Project Sponsor must submit a New Capacity Qualification Package no later than the New Capacity Qualification Deadline, described in Section III.13.1.10. Except as otherwise provided in this Section III.13.1, the New Capacity Qualification Package shall conform to the requirements of this Section III.13.1.1.2.2. The ISO may waive the submission of any information not required for evaluation of a project. No change that may result in a reduction in capacity may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between the date that is 150 days before the start of the Forward Capacity Auction and the deadline for qualification determination notifications described in Section III.13.1.1.2.8. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) no change that may result in a reduction in capacity may be made to a project described in a New Capacity Show of Interest Form or New Capacity Qualification Package between September 23, 2023 and the deadline for qualification determination notifications described in Section III.13.1.1.2.8 for the eighteenth Forward Capacity Auction.

III.13.1.1.2.2.1. Site Control.

For all Forward Capacity Auctions and reconfiguration auctions, the Project Sponsor must achieve, prior to the close of the New Capacity Show of Interest Submission Window, control of the project site for the duration of the relevant Capacity Commitment Period, which shall be as defined in Section 4.1 of Schedule 22, Section 4.1 of Schedule 23 or Section 4.1 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff.

III.13.1.1.2.2.2. Critical Path Schedule.

In the New Capacity Qualification Package, the Project Sponsor must provide a critical path schedule for the project with sufficient detail to allow the ISO to evaluate the feasibility of the project being built and the feasibility that the project will meet the requirement that the project achieve all its critical path schedule milestones no later than the start of the relevant Capacity Commitment Period. The critical path schedule shall include, at a minimum, the dates on which the following milestones have or are expected to occur:

- (a) **Major Permits.** In the New Capacity Qualification Package, the Project Sponsor must list all major permits required for the project, and for each major permit, the Project Sponsor must list the agency requiring the permit, the date on which application for the permit is expected to be made, and the expected date of approval. Major permits shall include, but are not limited to: (i) all federal and state permits; and (ii) local, regional, and town permits. The permitting and installation process associated with any major ancillary infrastructure (such as new gas pipelines, new water supply systems, or large storage tanks) should be included in this portion of the New Capacity Qualification Package.
- (b) **Project Financing Closing.** In the New Capacity Qualification Package, the Project Sponsor shall provide (i) the estimated dollar amount of required project financing; (ii) the expected sources of that financing; and (iii) the expected closing date(s) for the project financing.
- (c) **Major Equipment Orders.** In the New Capacity Qualification Package, the Project Sponsor must provide a list of all of the major components necessary for the project, and the date or dates on which all major components necessary for the project have been or are expected to be ordered. Although the specific technology will determine the list of major components to be included, the list shall include, to the extent applicable: (i) electric generators which may include equipment such as fuel cells or solar photovoltaic equipment; (ii) turbines; (iii) step-up transformers; (iv) relay panels (v) distributed control systems; and (vi) any other single piece of equipment or system such as a cooling water system, steam generation, steam handling system, water treatment system, fuel handling system or emissions control

system that is not included as a sub-component of other equipment listed in this Section III.13.1.1.2.2.2(c) and that accounts for more than five percent of the total project cost. For an Import Capacity Resource associated with an Elective Transmission Upgrade that has not yet achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, major components shall also include, to the extent applicable, transmission facilities and associated substation equipment.

(d) **Substantial Site Construction.** In the New Capacity Qualification Package, the Project Sponsor must provide the approximate date on which the amount of money expended on construction activities occurring on the project site is expected to exceed 20 percent of construction financing costs.

(e) **Major Equipment Delivery.** In the New Capacity Qualification Package, the Project Sponsor must provide the dates on which the major equipment described in subsection (d) above has been or is scheduled to be delivered to the project site.

(f) **Major Equipment Testing.** In the New Capacity Qualification Package, the Project Sponsor must provide the date or dates on which each piece of major equipment described in subsection (c) above is scheduled to undergo testing, including major systems testing, as appropriate for the specific technology to establish its suitability to allow, in conjunction with other major equipment, subsequent operation of the project in accordance with the design capacity of the resource and in accordance with Good Utility Practice. The test(s) shall include those conducted at the point at which the operation of the major equipment will be determined to be in compliance with the requirements of the engineering or purchase specifications.

(g) **Commissioning.** In the New Capacity Qualification Package, the Project Sponsor must provide the date on which the project is expected to have demonstrated the level of performance specified in the New Capacity Show of Interest Form and in the New Capacity Qualification Package.

(h) **Commercial Operation.** In the New Capacity Qualification Package, the Project Sponsor must provide the date by which the project is expected to achieve Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) and/or the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the New Demand Capacity Resource Qualification Package, or Distributed Energy Capacity Resources that include Demand Response Resources and/or Demand Response Distributed Energy Resource Aggregations as described in the New Distributed Energy Capacity Resource

Qualification Package, has achieved its full demand reduction value. This date must be no later than the start of the Capacity Commitment Period associated with the Forward Capacity Auction.

III.13.1.1.2.2.3. Offer Information.

(a) For a New Generating Capacity Resource does that not satisfy the conditions described in Section III.A.21.1.1 based on the information submitted at the time of the New Capacity Qualification Package, and for which the Project Sponsor does not provide a Load-Side Relationship Certification described in Section III.A.21.1.3, the Project Sponsor must include in the New Capacity Qualification Package the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and sufficient documentation and information for a buyer-side market power review pursuant to Section III.A.21.2. Such documentation and information includes all financial estimates, projected revenues, and cost projections for the project, including the project's pro-forma financing support data and anticipated out-of-market revenues (as defined in Section III.A.21.3(b)(i)). For a New Generating Capacity Resource that has achieved commercial operation prior to the New Capacity Qualification Deadline, such documentation should also include all financial data of actual incurred capital costs, actual operating costs, and actual revenues since the date of commercial operation.

A Project Sponsor that submits a Load-Side Relationship Certification as part of the New Capacity Qualification Package pursuant to Section III.13.1.1.2.2.7 must be prepared to provide both (1) the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and (2) the documentation and information described in this subsection (a), in the event that the ISO determines that the Load-Side Relationship Certification does not meet the requirements of Section III.A.21.1.3.

(b) The Project Sponsor for a New Generating Capacity Resource must indicate in the New Capacity Qualification Package if an offer from the New Generating Capacity Resource may be rationed. A Project Sponsor may specify a Rationing Minimum Limit to which offers may be rationed. Without such indication, offers will only be accepted or rejected in whole. This rationing election shall apply for the entire Forward Capacity Auction.

(c) By submitting a New Capacity Qualification Package, the Project Sponsor certifies that an offer from the New Generating Capacity Resource will not include any anticipated revenues the resource is expected to receive for its capacity cost as a Qualified Generator Reactive Resource pursuant to Schedule 2 of Section II of the Transmission, Markets and Services Tariff.

III.13.1.1.2.2.4. Capacity Commitment Period Election.

Project Sponsors shall be required to specify whether they are making the election set forth in this Section III.13.1.1.2.2.4 for each Forward Capacity Auction up to and including the auction held in February 2021 for the June 1, 2024 through May 31, 2025 Capacity Commitment Period, and no election shall be permitted thereafter.

For each Forward Capacity Auction occurring up to and including the February 2021 auction, in the New Capacity Qualification Package, the Project Sponsor must specify whether, if its New Capacity Offer clears in the Forward Capacity Auction, the associated Capacity Supply Obligation and Capacity Clearing Price (indexed for inflation) shall continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, for up to six additional and consecutive Capacity Commitment Periods, in whole Capacity Commitment Period increments only. For incremental capacity qualified pursuant to Section III.13.1.1.1.3.A, this election shall apply to both the incremental amount of capacity and the existing Qualified Capacity matched to the incremental capacity at the same generating resource. If no such election is made in the New Capacity Qualification Package, the Capacity Supply Obligation and Capacity Clearing Price associated with the New Capacity Offer shall apply only for the Capacity Commitment Period associated with the Forward Capacity Auction in which the New Capacity Offer clears. If a New Capacity Offer clears in the Forward Capacity Auction, the capacity associated with the resulting Capacity Supply Obligation may not be subject to any type of de-list or export bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply pursuant to this Section III.13.1.1.2.2.4.

III.13.1.1.2.2.5. Additional Requirements for Resources Previously Counted As Capacity.

In addition to the information described elsewhere in this Section III.13.1.1.2.2:

- (a) For each resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2 (re-powering), Section III.13.1.1.1.3 (incremental capacity), or Section III.13.1.1.1.4 (de-rated capacity), the Project Sponsor must include in the New Capacity Qualification Package documentation of the costs associated with the project in sufficient detail to allow the ISO to determine that the relevant cost threshold (described in Sections III.13.1.1.1.2(b), III.13.1.1.1.3(b), and III.13.1.1.1.4) will be met.

(b) For each resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2(c) (environmental compliance), the Project Sponsor must include in the New Capacity Qualification Package: (i) a detailed description of the specific regulations that it is seeking to comply with and the permits that it must obtain; and (ii) documentation of the costs associated with the project in sufficient detail to allow the ISO to determine that the relevant cost threshold (described in Section III.13.1.1.1.2(c)) will be met.

(c) For each resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Sections III.13.1.1.1.2, III.13.1.1.1.3, or III.13.1.1.1.4, the Project Sponsor must include in the New Capacity Qualification Package detailed information showing how and when the resource will shed its Capacity Supply Obligation to accommodate necessary work on the facility, if necessary. The Project Sponsor must also include the shedding of its Capacity Supply Obligation as an additional milestone in the critical path schedule described in Section III.13.1.1.2.2.2.

III.13.1.1.2.2.6. Additional Requirements for New Generating Capacity Resources that are Intermittent Power Resources.

In addition to the information described elsewhere in this Section III.13.1.1.2.2, for each Intermittent Power Resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Generating Capacity Resource, the Project Sponsor must include in the New Capacity Qualification Package:

- (a) a claimed summer Qualified Capacity and a claimed winter Qualified Capacity based on the data described in Section III.13.1.1.2.2.6(b);
- (b) measured and recorded site-specific summer and winter data relevant to the expected performance of the Intermittent Power Resource (including wind speed data for wind resources, water flow data for run-of-river hydropower resources, and irradiance data for solar resources) that, with the other information provided in the New Capacity Qualification Package, will enable the ISO to confirm the summer and winter Qualified Capacity that the Project Sponsor claims for the Intermittent Power Resource.

III.13.1.1.2.2.7. Load-Side Interests.

If the Project Sponsor seeks to demonstrate one of the qualifying circumstances described in Section III.A.21.1.3 with regard to its New Generating Capacity Resource, the Project Sponsor must provide the Load-Side Relationship Certification in the New Capacity Qualification Package.

III.13.1.1.2.3. Interconnection Review.

Each New Generating Capacity Resource shall be required to undergo an interconnection review as part of a Forward Capacity Auction qualification process.

(a) The interconnection review for New Generating Capacity Resources associated with a project subject to Schedules 22 and 23 of Section II of the Tariff shall be in the form of a deliverability review, which examines applicable interconnection Transitional Cluster Study or Cluster Study status, results and identified upgrades to determine the extent to which the applicable project and required interconnection facilities and upgrades can be implemented before the start of the Capacity Commitment Period.

(i) If as a result of the interconnection review, the ISO determines that the interconnection facilities and upgrades necessary to enable the New Generating Capacity Resource to provide the entire amount of capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package can not be implemented before the start of the Capacity Commitment Period, the New Generating Capacity Resource's Qualified Capacity values may be adjusted accordingly, as described in Section III.13.1.1.2.5.

(ii) If as a result of the interconnection review, the ISO determines that the interconnection facilities and upgrades necessary to enable the New Generating Capacity Resource to provide capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package can not be implemented before the start of the Capacity Commitment Period and the New Generating Capacity Resource can not provide any capacity without those facilities and upgrades, the resource shall not be accepted for participation in the Forward Capacity Auction. In this case, the ISO will provide an explanation of its determination in the qualification determination notification discussed in Section III.13.1.1.2.8.

(iii) Where, as a result of the interconnection review, the ISO concludes, after consultation with the Project Sponsor and the applicable Transmission Owner(s) or Elective Transmission Upgrade Interconnection Customer, as appropriate, that the capacity indicated in the New

Capacity Show of Interest Form and New Capacity Qualification Package can not be interconnected by the commencement of the Capacity Commitment Period, the Forward Capacity Market qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

(b) The interconnection review for New Generating Capacity Resources associated with a project not subject to the Schedules 22, 23 and 25 of the ISO-NE Tariff shall be in the form of a deliverability analysis. The ISO shall perform the deliverability analysis based on the information provided in the Show of Interest Form and New Capacity Qualification Package to determine the amount of capacity that the resource could provide by the start of the associated Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that a New Generating Capacity Resource that is otherwise accepted for participation in the Forward Capacity Auction in accordance with the other provisions and requirements of this Section III.13.1 can not deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then that New Generating Capacity Resource will not be accepted for participation in the Forward Capacity Auction.

III.13.1.1.2.3A. Interconnection Review for an Interim Reconfiguration Auction Qualification Process Completed prior to January 1, 2025 Pursuant to Section III.13.A.2.

(a) For an interim reconfiguration auction qualification process completed prior to January 1, 2025 pursuant to Section III.13.A.2, for each New Generating Capacity Resource, the ISO shall perform an interconnection review in the form of an initial interconnection analysis, including an analysis of overlapping interconnection impacts, based on the information provided in the New Capacity Show of Interest Form and New Capacity Qualification Package, and shall determine the amount of capacity that the resource can deliver by the start of the 2028-2029 Capacity Commitment Period. The initial interconnection analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures, and will include, but will not be limited to, a power flow analysis and a short circuit analysis. The ISO will perform the initial interconnection analysis in the form of a Transitional CNR Group Study that will (i) include all the projects that have submitted a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process on the basis of their Queue Position assigned as of May 1, 2024, pursuant to Section 4.1 of Schedule 22, Section

4.1 of Schedule 23, and Section 4.1 of Schedule 25 of Section II of the Tariff, and (ii) exclude any existing capacity that will be retired as of the start of the same Capacity Commitment Period. For an interim reconfiguration auction qualification process completed prior to January 1, 2025 pursuant to Section III.13.A.2, participation in an initial interconnection analysis performed in a Transitional CNR Group Study is a requirement for obtaining Capacity Network Resource Interconnection Service or Capacity Network Import Interconnection Service in a manner that meets the Capacity Capability Interconnection Standard in accordance with the provisions in Schedules 22, 23 and 25 of Section II of the Transmission, Markets and Services Tariff.

(b) If, as a result of the initial interconnection analysis, the ISO determines that interconnection facilities and upgrades are necessary to enable the New Generating Capacity Resource to provide the entire amount of capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package, but accounting for any reduction in requested capacity pursuant to Section III.13.1.1.2.1, the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

III.13.1.1.2.3B. Interconnection Review for an Interim Reconfiguration Auction Qualification Process Completed after January 1, 2025 Pursuant to Section III.13.A.2.

Each New Generating Capacity Resource shall be required to undergo an interconnection review as part of an interim reconfiguration auction qualification process completed after January 1, 2025 pursuant to Section III.13.A.2.

(a) The interconnection review for New Generating Capacity Resources associated with a project subject to Schedules 22, 23 and 25 of Section II of the Tariff shall be in the form of a deliverability review, which examines applicable interconnection Transitional Cluster Study or Cluster Study status, results and identified upgrades to determine the extent to which the applicable project and required interconnection facilities and upgrades can be implemented before the start of the 2028-2029 Capacity Commitment Period.

If as a result of the interconnection review, the ISO determines that interconnection facilities and upgrades identified through a Transitional Cluster Study or Cluster Study necessary to enable the New Generating Capacity Resource to provide the entire amount of capacity indicated in the New Capacity Show of Interest Form and New Capacity Qualification Package, but accounting for any reduction in

requested capacity pursuant to Section III.13.1.1.2.1, can not be implemented before the start of the 2028-2029 Capacity Commitment Period, the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

(b) The interconnection review for New Generating Capacity Resources associated with a project not subject to the Schedules 22, 23 and 25 of Section II of the Tariff shall be in the form of a deliverability analysis. The ISO shall perform the deliverability analysis based on the information provided in the Show of Interest Form and New Capacity Qualification Package to determine the amount of capacity that the resource could provide by the start of the 2028-2029 Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that a New Generating Capacity Resource can not deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

III.13.1.1.2.4. Evaluation of New Capacity Qualification Package.

The ISO shall review a New Generating Capacity Resource's New Capacity Qualification Package consistent with the dates set forth in Section III.13.1.10, and shall determine whether the package is complete and whether, based on the information provided, the New Generating Capacity Resource is accepted for participation in the Forward Capacity Auction. In making these determinations, the ISO may consider, but is not limited to considering, the following:

- (a) whether the New Capacity Qualification Package contains all of the elements required by this Section III.13.1.1.2;
- (b) whether the critical path schedule includes all necessary elements and is sufficiently developed;
- (c) whether the milestones in the critical path schedule are reasonable and likely to be met;
- (d) whether, in the case of a resource previously counted as a capacity resource, the requirements for treatment as a New Generating Capacity Resource are satisfied; and

(e) whether, in the case of an Intermittent Power Resource, sufficient data for confirming the resource's claimed summer and winter Qualified Capacity is provided, and whether the data provided reasonably supports the claimed summer and winter Qualified Capacity.

III.13.1.1.2.5. Qualified Capacity for New Generating Capacity Resources.

III.13.1.1.2.5.1. New Generating Capacity Resources Other Than Intermittent Power Resources.

The summer Qualified Capacity and winter Qualified Capacity of a New Generating Capacity Resource that is not an Intermittent Power Resource that has cleared in the Forward Capacity Auction shall be based on the data provided to the ISO during the qualification process, subject to ISO review and verification, and possibly as modified pursuant to Section III.13.1.1.2.3(a)(i). The FCA Qualified Capacity for such a resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

III.13.1.1.2.5.2. [Reserved]

III.13.1.1.2.5.3. New Generating Capacity Resources that are Intermittent Power Resources.

The summer Qualified Capacity and winter Qualified Capacity of a New Generating Capacity Resource that is an Intermittent Power Resource shall be the summer Qualified Capacity and winter Qualified Capacity claimed by the Project Sponsor pursuant to Section III.13.1.1.2.2.6, as confirmed by the ISO pursuant to Section III.13.1.1.2.4(e). The FCA Qualified Capacity for such a resource shall be equal to the resource's summer Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

III.13.1.1.2.5.4. New Generating Capacity Resources Partially Clearing in a Previous Forward Capacity Auction.

Where, as discussed in Section III.13.1.1.1(c), a New Generating Capacity Resource was accepted for participation in a previous Forward Capacity Auction, but cleared less than its summer or winter Qualified Capacity in that previous Forward Capacity Auction and is having its critical path schedule monitored by the ISO as described in Section III.13.3, its summer and winter Qualified Capacity as a New Generating Capacity Resource in the instant Forward Capacity Auction shall be the summer and winter Qualified Capacity from the previous Forward Capacity Auction minus the amount of capacity clearing from the New Generating Capacity Resource in the previous Forward Capacity Auction. The FCA

Qualified Capacity for such a resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources. The amount of capacity clearing in a Forward Capacity Auction from a New Generating Capacity Resource shall be treated as an Existing Generating Capacity Resource in subsequent Forward Capacity Auctions.

III.13.1.1.2.6. [Reserved.]

III.13.1.1.2.7. Opportunity to Consult with Project Sponsor.

In its review of a New Capacity Show of Interest Form or a New Capacity Qualification Package, the ISO may consult with the Project Sponsor to seek clarification, to gather additional necessary information, or to address questions or concerns arising from the materials submitted. At the discretion of the ISO, the ISO may consider revisions or additions to the qualification materials resulting from such consultation; provided, however, that in no case shall the ISO consider revisions or additions to the qualification materials if the ISO believes that such consideration cannot be properly accomplished within the time periods established for the qualification process. In addition, the ISO or the Project Sponsor may confer to seek clarification, to gather additional necessary information, or to address questions or concerns prior to the ISO's final determination and notification of qualification.

III.13.1.1.2.8. Qualification Determination Notification for New Generating Capacity Resources.

For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the ISO shall send notification as required under this Section III.13.1.1.2.8 to Project Sponsors or Market Participants, as applicable, for each New Generating Capacity Resource no later than October 12, 2023. No later than 127 days before the Forward Capacity Auction, the ISO shall send notification to Project Sponsors or Market Participants, as applicable, for each New Generating Capacity Resource indicating:

(a) whether the New Generating Capacity Resource has been accepted for participation in the Forward Capacity Auction as a result of the interconnection review made pursuant to Section III.13.1.1.2.3, and if not accepted, an explanation of the reasons the New Generating Capacity Resource was not accepted as a result of the interconnection review;

(b) whether the New Generating Capacity Resource has been accepted for participation in the Forward Capacity Auction as a result of the New Capacity Qualification Package evaluation made pursuant to Section III.13.1.1.2.4, and if not accepted, an explanation of the reasons the New Generating Capacity Resource's New Capacity Qualification Package was not accepted;

(c) [Reserved.]

(d) if accepted for participation in the Forward Capacity Auction, the New Generating Capacity Resource's summer Qualified Capacity and winter Qualified Capacity, as determined pursuant to Section III.13.1.1.2.5;

(e) [Reserved.]

(f) if accepted for participation in the Forward Capacity Auction, the ISO's determination as to whether the New Generating Capacity Resource satisfies any of the conditions described in Section III.A.21.1 and the basis for such determination; and

(g) if accepted for participation in the Forward Capacity Auction and subject to buyer-side market power review pursuant to Section III.A.21.2, the Internal Market Monitor's determinations regarding whether the New Generating Capacity Resource's requested lowest offer price, submitted pursuant to Section III.13.1.1.2.2.3(a), must be mitigated, as described in Section III.A.21.2.3. The ISO shall not disclose to the Project Sponsor any information regarding the potential impact of any offer from the Project Sponsor on Capacity Clearing Prices.

III.13.1.1.2.9 Renewable Technology Resource Election.

A Project Sponsor or Market Participant may not elect Renewable Technology Resource treatment for the FCA associated with a Capacity Commitment Period beginning on or after June 1, 2028.

A Project Sponsor or Market Participant electing Renewable Technology Resource treatment for the FCA Qualified Capacity of a New Generating Capacity Resource or New Demand Capacity Resource shall submit a Renewable Technology Resource election form no later than two Business Days after the date on which the ISO provides qualification determination notifications pursuant to Section III.13.1.1.2.8 or

Section III.13.1.4.1.1.6. Only the portion of the FCA Qualified Capacity of the resource that meets the requirements of Section III.13.1.1.1.7 is eligible for treatment as a Renewable Technology Resource.

Renewable Technology Resource elections may not be modified or withdrawn after the deadline for submission of the Renewable Technology Resource election form.

The submission of a Renewable Technology Resource election that satisfies the requirements of Section III.13.1.1.1.7 will invalidate a prior multi-year Capacity Supply Obligation and Capacity Clearing Price election for the same resource made pursuant to Section III.13.1.4.1.1.2.7 or Section III.13.1.1.2.2.4 for a Forward Capacity Auction.

III.13.1.1.2.10 Determination of Renewable Technology Resource Qualified Capacity.

- (a) If the total FCA Qualified Capacity of Renewable Technology Resources exceeds the cap specified in subsections (b) and (c), the qualified capacity value of each resource shall be prorated by the ratio of the cap divided by the total FCA Qualified Capacity. The ISO shall notify the Project Sponsor or Market Participant, as applicable, of the Qualified Capacity value of its resource no more than five Business Days after the deadline for submitting Renewable Technology Resource elections.
- (b) The cap for the Capacity Commitment Period beginning on June 1, 2026 is 300 MW.
- (c) The cap for the Capacity Commitment Period beginning on June 1, 2027 is (i) 400 MW, (ii) plus the difference between 300 MW and the amount of Capacity Supply Obligations acquired by Renewable Technology Resources in the Forward Capacity Auction associated with the Capacity Commitment Period beginning on June 1, 2026, and (iii) minus the amount of Capacity Supply Obligations acquired through the substitution auction, as described in Section III.13.2.8, for the Forward Capacity Auction associated with the Capacity Commitment Period beginning on June 1, 2026. For clarification, the calculation in (ii) above shall only account for Capacity Supply Obligations acquired in the primary Forward Capacity Auction, and shall not include any additional Capacity Supply Obligations for such a resource acquired through the substitution auction

III.13.1.2. Existing Generating Capacity Resources.

An Existing Generating Capacity Resource, as defined in Section III.13.1.2.1, may participate in the Forward Capacity Auction pursuant to the provisions of this Section III.13.1.2.

III.13.1.2.1. Definition of Existing Generating Capacity Resource.

Any resource that does not satisfy the criteria for participating in the Forward Capacity Auction as a New Generating Capacity Resource (Section III.13.1.1), as an Existing Import Capacity Resource or New Import Capacity Resource (Section III.13.1.3), as a New Demand Capacity Resource or Existing Demand Capacity Resource (Section III.13.1.4), or as a New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource (Section III.13.1.4A) shall be an Existing Generating Capacity Resource.

III.13.1.2.1.1. Attributes of Existing Generating Capacity Resources.

For purposes of Forward Capacity Auction qualification, a Market Participant may not change any Existing Generating Capacity Resource attribute (including but not limited to the resource's status as an Intermittent Power Resource) in the period beginning 20 Business Days prior to the Existing Capacity Retirement Deadline and ending with the conclusion of the Forward Capacity Auction. Outside of this period, any such change must be accompanied by documentation justifying the change.

III.13.1.2.1.2 Rationing Minimum Limit.

No later than 120 days before the Forward Capacity Auction Market Participants may specify a Rationing Minimum Limit for an Existing Generating Capacity Resource.

III.13.1.2.2. Qualified Capacity for Existing Generating Capacity Resources.

III.13.1.2.2.1. Existing Generating Capacity Resources Other Than Intermittent Power Resources.

III.13.1.2.2.1.1. Summer Qualified Capacity.

The summer Qualified Capacity of an Existing Generating Capacity Resource that is not an Intermittent Power Resource shall be equal to the median of that Existing Generating Capacity Resource's summer Seasonal Claimed Capability ratings from the most recent five years, as of the fifth Business Day in October of each year, with only positive summer ratings included in the median calculation. For the first Forward Capacity Auction, the summer Qualified Capacity of an Existing Generating Capacity Resource shall be equal to the median of that Existing Generating Capacity Resource's summer Seasonal Claimed Capability ratings from the most recent four years, as of the fifth Business Day in October of each year,

with only positive summer ratings included in the median calculation. Where an Existing Generating Capacity Resource has fewer than five summer Seasonal Claimed Capability ratings, or in the case of the first Forward Capacity Auction, fewer than four summer Seasonal Claimed Capability ratings, then the summer Qualified Capacity for that Existing Generating Capacity Resource shall be equal to the median of all of that Existing Generating Capacity Resource's previous summer Seasonal Claimed Capability ratings, as of the fifth Business Day in October of each year, with only positive summer ratings included in the median calculation. If for an Existing Generating Capacity Resource there are no previous positive summer Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's summer Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.1.2. Winter Qualified Capacity.

The winter Qualified Capacity of an Existing Generating Capacity Resource that is not an Intermittent Power Resource shall be equal to the median of that Existing Generating Capacity Resource's winter Seasonal Claimed Capability ratings from the most recent five years, as of the fifth Business Day in June of each year, with only positive winter ratings included in the median calculation. For the first Forward Capacity Auction, the winter Qualified Capacity of an Existing Generating Capacity Resource shall be equal to the median of that Existing Generating Capacity Resource's winter Seasonal Claimed Capability ratings from the most recent four years, as of the fifth Business Day in June of each year, with only positive winter ratings included in the median calculation. Where an Existing Generating Capacity Resource has fewer than five winter Seasonal Claimed Capability ratings, or in the case of the first Forward Capacity Auction, fewer than four winter Seasonal Claimed Capability ratings, then the winter Qualified Capacity for that Existing Generating Capacity Resource shall be equal to the median of all of that Existing Generating Capacity Resource's previous winter Seasonal Claimed Capability ratings, as of the fifth Business Day in June of each year, with only positive winter ratings included in the median calculation. If for an Existing Generating Capacity Resource there are no previous positive winter Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's winter Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.2. Existing Generating Capacity Resources that are Intermittent Power Resources.

The summer and winter Qualified Capacity for an Existing Generating Capacity Resource that is an Intermittent Power Resource shall be calculated as follows:

III.13.1.2.2.2.1. Summer Qualified Capacity for an Intermittent Power Resource.

- (a) With regard to any Forward Capacity Auction qualification process, for each of the previous five summer periods, the ISO shall determine the median of the Intermittent Power Resource's net output in the Summer Intermittent Reliability Hours. If there are less than five full summer periods since the Intermittent Power Resource achieved FCM Commercial Operation, the ISO shall determine the median of the Intermittent Power Resource's net output in each of the previous summer periods, or portion thereof, since the Intermittent Power Resource achieved FCM Commercial Operation.
- (b) The Intermittent Power Resource's summer Qualified Capacity shall be the average of the median numbers determined in Section III.13.1.2.2.2.1(a).
- (c) The Summer Intermittent Reliability Hours shall be hours ending 1400 through 1800 each day of the summer period (June through September) and all summer period hours in which there was a system-wide Capacity Scarcity Condition and if the Intermittent Power Resource was in an import-constrained Capacity Zone, all Capacity Scarcity Conditions in that Capacity Zone.
- (d) If for an Existing Generating Capacity Resource that is an Intermittent Power Resource there are no previous positive summer Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's summer Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.2.2. Winter Qualified Capacity for an Intermittent Power Resource.

- (a) With regard to any Forward Capacity Auction qualification process, for each of the previous five winter periods, the ISO shall determine the median of the Intermittent Power Resource's net output in the Winter Intermittent Reliability Hours. If there are less than five full winter periods since the Intermittent Power Resource achieved FCM Commercial Operation, the ISO shall determine the median of the Intermittent Power Resource's net output in each of the previous winter periods, or portion thereof, since the Intermittent Power Resource achieved FCM Commercial Operation.

(b) The Intermittent Power Resource's winter Qualified Capacity shall be the average of the median numbers determined in Section III.13.1.2.2.2(a).

(c) The Winter Intermittent Reliability Hours shall be hours ending 1800 and 1900 each day of the winter period (October through May) and all winter period hours in which there was a system-wide Capacity Scarcity Condition and if the Intermittent Power Resource was in an import-constrained Capacity Zone, all Capacity Scarcity Conditions in that Capacity Zone.

(d) If for an Existing Generating Capacity Resource that is an Intermittent Power Resource there are no previous positive winter Seasonal Claimed Capability ratings because the Existing Generating Capacity Resource had not yet achieved FCM Commercial Operation, then the Existing Generating Capacity Resource's winter Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Generating Capacity Resource in previous Forward Capacity Auctions.

III.13.1.2.2.3. Qualified Capacity Adjustment for Partially New and Partially Existing Resources.

(a) Where an Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource is associated with a New Generating Capacity Resource or New Distributed Energy Capacity Resource that was accepted for participation in a previous Forward Capacity Auction qualification process and that cleared in a previous Forward Capacity Auction, then in each subsequent Forward Capacity Auction until the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation the summer Qualified Capacity of that Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource shall be the sum of [the median of that Existing Generating Capacity Resource's positive summer Seasonal Claimed Capability ratings or Existing Distributed Energy Capacity Resource's positive summer Seasonal DECR Audit Values from the most recent five years, as of the fifth Business Day of October of each year, calculated in a manner consistent with Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A] plus [the amount of the New Generating Capacity Resource or New Distributed Energy Capacity Resource's capacity clearing in previous Forward Capacity Auctions]. After the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation, the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's summer Qualified Capacity shall be calculated as described in Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A.1.1, except that no data from the time period prior to the New Generating Capacity Resource or New Distributed Energy Capacity Resource's FCM Commercial Operation date shall be used to determine the summer Qualified Capacity

associated with the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource.

(b) Where an Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource is associated with a New Generating Capacity Resource or New Distributed Energy Capacity Resource that was accepted for participation in a previous Forward Capacity Auction qualification process and that cleared in a previous Forward Capacity Auction, then in each subsequent Forward Capacity Auction until the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation the winter Qualified Capacity of that Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource shall be the sum of [the median of that Existing Generating Capacity Resource's positive winter Seasonal Claimed Capability ratings or Existing Distributed Energy Capacity Resource's positive winter Seasonal DECR Audit Values from the most recent five years, as of the fifth Business Day of June of each year, calculated in a manner consistent with Section III.13.1.2.2.1.2 or Section III.13.1.4A.2.A.1.2] plus [the amount of the New Generating Capacity Resource or New Distributed Energy Capacity Resource's capacity clearing in previous Forward Capacity Auctions]. After the New Generating Capacity Resource or New Distributed Energy Capacity Resource achieves FCM Commercial Operation, the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's winter Qualified Capacity shall be calculated as described in Section III.13.1.2.2.1.2 or Section III.13.1.4A.2.A.1.2, except that no data from the time period prior to the New Generating Capacity Resource or New Distributed Energy Capacity Resource's FCM Commercial Operation date shall be used to determine the winter Qualified Capacity associated with the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource.

III.13.1.2.2.4. Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline.

Where the most recent summer Seasonal Claimed Capability or most recent summer Seasonal DECR Audit Value, as of the fifth Business Day in October, of an Existing Generating Capacity Resource (other than a Settlement Only Resource or an Intermittent Power Resource) and Existing Distributed Energy Capacity Resource (other than one comprised of Settlement Only Resources or an Intermittent Power Resource) is below its summer Qualified Capacity, as determined pursuant to Section III.13.1.2.2.1.1 and Section III.13.1.4A.2.A.1.1, respectively, by:

- (1) for Capacity Commitment Periods beginning prior to June 1, 2023, more than the lesser of 20 percent of that summer Qualified Capacity or 40 MW;
- (2) for Capacity Commitment Periods beginning on or after June 1, 2023, more than the lesser of:

- (i) the greater of 10 percent of that summer Qualified Capacity or two MW, or;
- (ii) 10 MW;

then the Lead Market Participant must elect one of the two treatments described in this Section III.13.1.2.2.4 by the Existing Capacity Retirement Deadline. If the Lead Market Participant makes no election, or elects treatment pursuant to Section III.13.1.2.2.4(c) and fails to meet the associated requirements, then the treatment described in Section III.13.1.2.2.4(a) shall apply.

(a) A Lead Market Participant may elect, for the purposes of the Forward Capacity Auction only, to have the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's summer Qualified Capacity set to the most recent summer Seasonal Claimed Capability or summer Seasonal DECR Audit Value as of the fifth Business Day in October, provided that the Lead Market Participant has furnished evidence regarding the cause of the de-rating.

(b) [Reserved.]

(c) A Lead Market Participant may elect: (i) to submit a critical path schedule as described in Section III.13.1.1.2.2.2, Section III.13.1.4A.1.1.2.3, or Section III.13.1.4A.1.1.2.4, modified as appropriate, describing the measures that will be taken and showing that the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource will be able to provide an amount of capacity consistent with the summer Qualified Capacity as calculated pursuant to Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A.1.1 by the start of the relevant Capacity Commitment Period; and (ii) to have the Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource's summer Qualified Capacity remain as calculated pursuant to Section III.13.1.2.2.1.1 or Section III.13.1.4A.2.A.1.1 for the Forward Capacity Auction. For an Existing Generating Capacity Resource or Existing Distributed Energy Capacity Resource subject to this election, the critical path schedule monitoring provisions of Section III.13.3 shall apply.

III.13.1.2.2.5. Adjustment for Certain Significant Increases in Capacity.

Where an Existing Generating Capacity Resource (other than a Settlement Only Resource) meets the requirements of Section III.13.1.1.1.3(a) but not the requirements of Section III.13.1.1.1.3(b), the Lead Market Participant may elect to have the Existing Generating Capacity Resource's summer Qualified Capacity be the sum of [the median of that Existing Generating Capacity Resource's positive summer Seasonal Claimed Capability ratings from the most recent five years, as of the fifth Business Day in October of each year, calculated in a manner consistent with Section III.13.1.2.2.1.1] plus [the amount of

incremental capacity as described in Section III.13.1.1.1.3(a)]; provided, however, that the Lead Market Participant must abide by all other provisions of this Section III.13 applicable to a resource that is a New Generating Capacity Resource pursuant to Section III.13.1.1.1.3. Such an election must be made in writing and must be received by the ISO no later than the close of the New Capacity Show of Interest Submission Window. If the incremental amount of capacity seeking to participate in the Forward Capacity Auction meets the requirements of this Section, but the incremental amount of capacity does not span the entire Capacity Commitment Period, then the ISO shall match the incremental amount of capacity with excess Qualified Capacity at that same resource, not to exceed the Qualified Capacity of the existing portion of the resource, in order to cover the entire Capacity Commitment Period. This provision shall not apply to Intermittent Power Resources.

III.13.1.2.2.5.1. [Reserved.]

III.13.1.2.2.5.2. Requirements for an Existing Generating Capacity Resource, Existing Demand Capacity Resource, Existing Distributed Energy Capacity Resource, or Existing Import Capacity Resource Having a Higher Summer Qualified Capacity than Winter Qualified Capacity.

Where an Existing Generating Capacity Resource, Existing Demand Capacity Resource, or Existing Import Capacity Resource (other than an Intermittent Power Resource) has a summer Qualified Capacity that exceeds its winter Qualified Capacity, both as calculated pursuant to this Section III.13.1.2.2, then that resource must either: (i) offer its summer Qualified Capacity as part of an offer composed of separate resources, as discussed in Section III.13.1.5; or (ii) have its FCA Qualified Capacity administratively set by the ISO to the lesser of its summer Qualified Capacity and winter Qualified Capacity.

Where an Existing Distributed Energy Capacity Resource (other than an Intermittent Power Resource) has a summer Qualified Capacity that exceeds its winter Qualified Capacity, both as calculated pursuant to this Section III.13.1.4A.2.A, then that resource must have its FCA Qualified Capacity administratively set by the ISO to the lesser of its summer Qualified Capacity and winter Qualified Capacity.

III.13.1.2.3. Qualification Process for Existing Generating Capacity Resources.

(a) For each Existing Generating Capacity Resource, no later than 15 Business Days before the Existing Capacity Retirement Deadline, the ISO will notify the resource's Lead Market Participant of the resource's summer Qualified Capacity and winter Qualified Capacity and the Load Zone in which the Existing Generating Capacity Resource is located.

(b) If the Lead Market Participant believes that the ISO has made a mathematical error in calculating the summer Qualified Capacity or winter Qualified Capacity for an Existing Generating Capacity Resource as described in Section III.13.1.2.2, then the Lead Market Participant must notify the ISO within five Business Days of receipt of the Qualified Capacity notification.

(c) The ISO shall notify the Lead Market Participant of the outcome of any such challenge no later than five Business Days before the Existing Capacity Retirement Deadline. If an Existing Generating Capacity Resource does not submit a Static De-List Bid, an Export Bid, an Administrative Export De-List Bid, a Permanent De-List Bid, or a Retirement De-List Bid in the Forward Capacity Auction qualification process, then the resource shall be entered into the Forward Capacity Auction as described in Section III.13.2.3.2(c).

III.13.1.2.3.1. Existing Capacity Retirement Package and Existing Capacity Qualification Package.

A resource that previously has been deactivated pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions) and seeks to reactivate and participate in the Forward Capacity Market as an Existing Generating Capacity Resource must submit a reactivation plan no later than 10 Business Days before the Existing Capacity Retirement Deadline, as described in Section III.13.1.1.1.6(b). All Permanent De-List Bids and Retirement De-List Bids in the Forward Capacity Auction must be detailed in an Existing Capacity Retirement Package submitted to the ISO no later than the Existing Capacity Retirement Deadline. All Static De-List Bids, Export Bids and Administrative Export De-List Bids in the Forward Capacity Auction must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification Deadline. Permanent De-List Bids and Retirement De-List Bids may not be modified or withdrawn after the Existing Capacity Retirement Deadline, except as provided for in Sections III.13.1.2.4.1 and III.13.1.2.3.1.5(d). All Static De-List Bids, Export Bids, and Administrative Export De-List Bids submitted in the qualification process may not be modified or withdrawn after the Existing Capacity Qualification Deadline, except as provided for in Section III.13.1.2.3.1.1. An Existing Generating Capacity Resource may not submit a Static De-List Bid, Export Bid, Administrative Export De-List Bid, Permanent De-List Bid, or Retirement De-List Bid for an amount of capacity greater than its summer Qualified Capacity, unless the submittal is for the entire resource. Where a resource elected pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7 to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward

Capacity Auction in which the offer clears, the capacity associated with any resulting Capacity Supply Obligation may not be subject to any type of de-list or export bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply. For a single resource, a Lead Market Participant may combine a Static De-List Bid, an Export Bid, and an Administrative Export De-List Bid; neither a Permanent De-List Bid nor a Retirement De-List Bid may be combined with any other type of de-list or export bid.

Static De-List Bids and Export Bids may elect to be rationed (as described in Section III.13.2.6, however, an Export Bid is always subject to potential rationing where the associated external interface binds). Where a Lead Market Participant submits any combination of Static De-List Bid and Export Bid for a single resource, each of those bids must have the same rationing election. Where a Lead Market Participant submits any combination of Static De-List Bid, Export Bid, and Administrative Export De-List Bid for a single resource, none of the prices in a set of price-quantity pairs associated with a bid may be the same as any price in any other set of price-quantity pairs associated with another bid for the same resource.

III.13.1.2.3.1.A Dynamic De-List Bid Threshold.

For the fifteenth Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2024), the Dynamic De-List Bid Threshold is \$4.30/kW-month. For each Forward Capacity Auction thereafter, the Dynamic De-List Bid Threshold shall be calculated as described below in this Section III.13.1.2.3.1.A, and shall be published to the ISO's website no later than 5 Business Days before the Existing Capacity Retirement Deadline. This publication shall include the preliminary value calculated pursuant to subsection (a) below, whether the preliminary value was constrained by either of the limitations described in subsection (b) below, the margin value as calculated pursuant to subsection (c) below, and the final value as calculated pursuant to subsection (d) below.

(a) Subject to the limitations described in subsection (b) below, a preliminary value of the Dynamic De-List Bid Threshold shall be calculated as the average of: (i) the Capacity Clearing Price for the Rest-of-Pool Capacity Zone from the immediately preceding Forward Capacity Auction (provided, however, that if there is a second run of the primary auction-clearing process pursuant to Section III.13.2.5.2.1(d), the resulting Rest-of-Pool Capacity Zone clearing price from that run shall be used instead); and (ii) the price at which the total amount of capacity clearing in the immediately preceding Forward Capacity Auction intersects the estimated System-Wide Capacity Demand Curve for the upcoming Forward Capacity Auction. For this purpose, the estimated System-Wide Capacity Demand Curve shall be

constructed, in the same manner as described in Section III.13.2.2.1, using the system-wide Marginal Reliability Impact values from the immediately preceding Forward Capacity Auction, the most recent estimate of the Installed Capacity Requirement (net of HQICCs) for the upcoming Forward Capacity Auction, and the Net CONE and Forward Capacity Auction Starting Price for the upcoming Forward Capacity Auction.

(b) The preliminary value of the Dynamic De-List Bid Threshold shall not be higher than 75 percent of the Net CONE value for the upcoming Forward Capacity Auction. The preliminary value of the Dynamic De-List Bid Threshold shall not be lower than 75 percent of the clearing price applicable pursuant to (a)(i) of this Section III.13.1.2.3.1.A, except as needed to ensure that it is not higher than 75 percent of the Net CONE value for the upcoming Forward Capacity Auction.

(c) A margin value shall be calculated using the following formula:

$$\text{Margin} = \$1/kW\text{-month} \times \left[\frac{(75\% \times \text{Net CONE}_{\text{upcoming FCA}}) - DDBT_{\text{preliminary}}}{(75\% \times \text{Net CONE}_{\text{upcoming FCA}})} \right]$$

(d) The final value of the Dynamic De-List Bid Threshold for the upcoming Forward Capacity Auction shall be equal to the preliminary value of the Dynamic De-List Bid Threshold calculated pursuant to Sections III.13.1.2.3.1.A(a) and III.13.1.2.3.1.A(b) plus the margin value calculated pursuant to Section III.13.1.2.3.1.A(c).

III.13.1.2.3.1.1. Static De-List Bids.

A Lead Market Participant with an Existing Capacity Resource, or a portion thereof, seeking to specify a price below which it would not accept a Capacity Supply Obligation for that resource, or a portion thereof, at prices at or above the Dynamic De-List Bid Threshold during a single Capacity Commitment Period may submit a Static De-List Bid in the associated Forward Capacity Auction qualification process. A Static De-List Bid may not result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit except where the resource submits de-list and export bids totaling the resource's full summer Qualified Capacity. Each Static De-List Bid must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification Deadline, and must be in the form of a curve (up to five price-quantity pairs). The curve may in no case increase the quantity offered as the price decreases. All Static De-List Bids are subject to a reliability review as described in Section III.13.2.5.2.5. Static De-List Bids are subject to review by the Internal Market Monitor pursuant to Section III.13.1.2.3.2 and must include the additional documentation described in that section. With the submission of a Static De-List Bid, the Lead Market Participant must

notify the ISO if the Existing Capacity Resource will not be participating in the energy and ancillary services markets during the Capacity Commitment Period (except for necessary audits or tests).

No later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.2.4(b), a Lead Market Participant that submitted a Static De-List Bid may:

(a) lower the price of any price-quantity pair of a Static De-List Bid, provided that the revised price is greater than or equal to the Dynamic De-List Bid Threshold, or; (b) withdraw any price-quantity pair of a Static De-List Bid.

III.13.1.2.3.1.2. [Reserved.]

III.13.1.2.3.1.3. Export Bids.

An Existing Generating Capacity Resource within the New England Control Area, other than an Intermittent Power Resource or a Renewable Technology Resource, seeking to export all or part of its capacity during a Capacity Commitment Period may submit an Export Bid in the associated Forward Capacity Auction qualification process. An Export Bid may not result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit except where the resource submits de-list and export bids totaling the resource's full summer Qualified Capacity. All Export Bids are subject to a reliability review as described in Section III.13.2.5.2.5. Export Bids at or above the Dynamic De-List Bid Threshold are subject to review by the Internal Market Monitor pursuant to Section III.13.1.2.3.2 and must include the additional information described in that Section. Each Export Bid must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification Deadline, and must be in the form of a curve (up to five price-quantity pairs) associated with a specific Existing Generating Capacity Resource. The curve may in no case increase the quantity offered as the price decreases. Each price-quantity pair must be less than the Forward Capacity Auction Starting Price. The Existing Capacity Qualification Package for each Export Bid must also specify the interface over which the capacity will be exported. Export Bids shall be entered into the Forward Capacity Auction pursuant to Section III.13.2.3.2(b).

III.13.1.2.3.1.4. Administrative Export De-List Bids.

An Existing Generating Capacity Resource other than an Intermittent Power Resource or a Renewable Technology Resource subject to a multiyear contract to sell capacity outside of the New England Control Area during the Capacity Commitment Period that either: (i) cleared as an Export Bid in a previous Forward Capacity Auction for a Capacity Commitment Period within the duration of the contract; or (ii)

entered into a contract prior to April 30, 2007 to sell capacity outside of the New England Control Area during the Capacity Commitment Period, may submit an Administrative Export De-List Bid in the associated Forward Capacity Auction qualification process. An Administrative Export De-List Bid may not result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit except where the resource submits de-list and export bids totaling the resource's full summer Qualified Capacity. Unless reviewed as an Export Bid in a previous Forward Capacity Auction, an Administrative Export De-List Bid is subject to a reliability review prior to clearing in a Forward Capacity Auction, as described in Section III.13.2.5.2.5, and is subject to review by the Internal Market Monitor in the first Forward Capacity Auction in which it participates, pursuant to Section III.13.1.7. Both the reliability review and the review by the Internal Market Monitor shall be conducted once and shall remain valid for the multiyear contract period. Each Administrative Export De-List Bid must be detailed in an Existing Capacity Qualification Package submitted to the ISO no later than the Existing Capacity Qualification Deadline, must be associated with a specific Existing Generating Capacity Resource, and must indicate the quantity of capacity subject to the bid. The Existing Capacity Qualification Package for each Administrative Export De-List Bid must also specify the interface over which the capacity will be exported, and must include documentation demonstrating a contractual obligation to sell capacity outside of the New England Control Area during the whole Capacity Commitment Period. Administrative Export De-List Bids shall be entered into the Forward Capacity Auction pursuant to Section III.13.2.5.2.4.

III.13.1.2.3.1.5. Permanent De-List Bids and Retirement De-List Bids.

- (a) A Lead Market Participant with an Existing Capacity Resource seeking to specify a price at or below which it would not accept a Capacity Supply Obligation permanently for all or part of a Generating Capacity Resource beginning at the start of a particular Capacity Commitment Period may submit a Permanent De-List Bid in the associated Forward Capacity Auction qualification process.
- (b) A Lead Market Participant with an Existing Capacity Resource seeking to specify a price at or below which it would retire all or part of a Generating Capacity Resource from all New England Markets beginning at the start of a particular Capacity Commitment Period may submit a Retirement De-List Bid in the associated Forward Capacity Auction qualification process.
- (c) No Permanent De-List Bid or Retirement De-List Bid may result in a resource's Capacity Supply Obligation being less than its Rationing Minimum Limit unless the Permanent De-List Bid or Retirement De-List Bid is for the entire resource. Each Permanent De-List Bid and Retirement De-List Bid must be detailed in an Existing Capacity Retirement Package submitted to the ISO no later than the Existing

Capacity Retirement Deadline, and must be in the form of a curve (up to five price-quantity pairs) associated with a specific Existing Capacity Resource. The curve may in no case increase the quantity offered as the price decreases. Permanent De-List Bids and Retirement De-List Bids are subject to review by the Internal Market Monitor pursuant to Section III.13.1.2.3.2.1 and must include the additional documentation described in that section.

(d) Once submitted, a Permanent De-List Bid or Retirement De-List Bid may not be withdrawn or modified, except as provided in Section III.13.1.2.4.1 and as follows: During the time provided for adjustments to Static De-List Bids under Section III.13.1.2.3.1.1, a Lead Market Participant may reduce the Internal Market Monitor-accepted Permanent De-List Bid or Retirement De-List Bid to a price that is no lower than .75 times the Internal Market Monitor-accepted price determined pursuant to Section III.13.1.2.3.2.1.1.2, provided the Lead Market Participant has not elected to retire the Resource for which a Permanent De-List Bid or Retirement De-List Bid has been submitted under Section III.13.1.2.4.1(a) or elected conditional treatment of the Permanent De-List Bid or Retirement De-List Bid under Section III.13.1.2.4.1(b).

III.13.1.2.3.1.5.1. Reliability Review of Permanent De-List Bids and Retirement De-List Bids During the Qualification Process.

During the qualification process, the ISO will review the following de-list bids to determine if the resource is needed for reliability: (1) Internal Market Monitor-accepted Permanent De-List Bids and Internal Market Monitor-accepted Retirement De-List Bids that remain at or above the Forward Capacity Auction Starting Price even considering a full downward adjustment pursuant to Section III.13.1.2.3.1.5(d); and (2) Permanent De-List Bids and Retirement De-List Bids for which the Lead Market Participant has opted to have the resource reviewed for reliability as described in Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b). The reliability review will be conducted according to Section III.13.2.5.2.5, except as follows:

- (a) Permanent De-List Bids and Retirement De-List Bids that cannot be priced (for example, due to the expiration of an operating license) will be reviewed first.
- (b) System needs associated with Permanent De-List Bids and Retirement De-List Bids for resources found needed for reliability reasons pursuant to this Section III.13.1.2.3.1.5.1 will be reviewed with the Reliability Committee during the month of August following the issuance of retirement determination notifications pursuant to Section III.13.1.2.4(a). The Lead Market Participant shall be notified as soon as

practicable following the ISO's consultation with the Reliability Committee that the capacity associated with a Permanent De-List Bid or Retirement De-List Bid is needed for reliability reasons.

(c) If the capacity associated with a Permanent De-List Bid or Retirement De-List Bid is needed for reliability reasons pursuant to this Section III.13.1.2.3.1.5.1, the de-list bid shall be rejected and the resource shall be entered into the Forward Capacity Auction pursuant to Section III.13.2.3.2(c) and compensated according to Section III.13.2.5.2.5, unless the resource declines to be retained for reliability, as provided in Section III.13.1.2.3.1.5.1(d).

(d) No later than the fifth Business Day in the month of September following the review of system needs with the Reliability Committee per (b) above, a Lead Market Participant may notify the ISO that it declines to provide the associated capacity for reliability. Such an election will be binding. A resource for which a Lead Market Participant has made such an election will not be eligible for compensation pursuant to Sections III.13.2.5.2.5.1 or III.13.2.5.2.5.2.

(e) Where a resource is determined not to be needed for reliability or where a Lead Market Participant notifies the ISO that it declines to provide capacity for reliability pursuant to Section III.13.1.2.3.1.5.1(d), the capacity associated with the Permanent De-List Bid or Retirement De-List Bid will be treated as follows:

(i) For a Retirement De-List Bid determined to be at or above the Forward Capacity Auction Starting Price pursuant to Section III.13.1.2.3.1.5.1, or a Permanent De-List Bid or Retirement De-List Bid for which a Lead Market Participant has elected to retire the resource pursuant to Section III.13.1.2.4.1(a), the portion of the resource subject to the de-list bid will be retired as permitted by applicable law coincident with the commencement of the Capacity Commitment Period for which the de-list bid was submitted, as described in Section III.13.2.5.2.5.3(a).

(ii) For a Permanent De-List Bid determined to be at or above the Forward Capacity Auction Starting Price pursuant to Section III.13.1.2.3.1.5.1 for which a Lead Market Participant has not elected to retire the resource pursuant to Section III.13.1.2.4.1(a), the portion of the resource subject to the de-list bid will be permanently de-listed coincident with the commencement of the Capacity Commitment Period for which the de-list bid was submitted, as described in Section III.13.2.5.2.5.3(b).

(iii) For a Permanent De-List Bid or Retirement De-List Bid for which a Lead Market Participant has elected conditional treatment pursuant to Section III.13.1.2.4.1(b), the de-list bid will continue to receive conditional treatment as described in Section III.13.1.2.4.1(b), Section III.13.2.3.2(b)(ii), and Section III.13.2.5.2.1.

III.13.1.2.3.1.6. Static De-List Bids, Permanent De-List Bids and Retirement De-List Bids for Existing Generating Capacity Resources at Stations having Common Costs.

Where Existing Generating Capacity Resources at a Station having Common Costs elect to submit Static De-List Bids, Permanent De-List Bids, or Retirement De-List Bids, the provisions of this Section III.13.1.2.3.1.6 shall apply.

III.13.1.2.3.1.6.1. Submission of Cost Data.

In addition to the information required elsewhere in this Section III.13.1.2.3, Static De-List Bids, Permanent De-List Bids, or Retirement De-List Bids submitted by an Existing Generating Capacity Resource that is associated with a Station having Common Costs and seeking to delist must include detailed cost data to allow the ISO to determine the Asset-Specific Going Forward Costs for each asset associated with the Station and the Station Going Forward Common Costs.

III.13.1.2.3.1.6.2. [Reserved.]

III.13.1.2.3.1.6.3. Internal Market Monitor Review of Stations having Common Costs.

The Internal Market Monitor will review each Static De-List Bid, Permanent De-List Bid and Retirement De-List Bids from an Existing Generating Capacity Resource that is associated with a Station having Common Costs pursuant to the following methodology:

- (i) Calculate the average Asset-Specific Going Forward Costs of each asset at the Station.
- (ii) Order the assets from highest average Asset-Specific Going Forward Costs to lowest average Asset-Specific Going Forward Costs; this is the preferred de-list order.
- (iii) Calculate and assign to each asset a station cost that is equal to the average cost of the assets remaining at the Station, including Station Going Forward Common Costs, assuming the successive de-listing of each individual asset in preferred de-list order.

(iv) Calculate a set of composite costs that is equal to the maximum of the cost associated with each asset as calculated in (i) and (iii) above.

The Internal Market Monitor will adjust the set of composite costs to ensure a monotonically non-increasing set of bids as follows: any asset with a composite cost that is greater than the composite cost of the asset with the lowest composite cost and that has average Asset-Specific Going Forward Costs that are less than its composite costs will have its composite cost set equal to that of the asset with the lowest composite cost. The bids of the asset with the lowest composite cost and of any assets whose composite costs are so adjusted will be considered a single non-rationable bid for use in the Forward Capacity Auction.

The Internal Market Monitor will compare a de-list bid developed using the adjusted composite costs to the de-list bid submitted by the Existing Generating Capacity Resource that is associated with a Station having Common Costs. If the Internal Market Monitor determines that the submitted de-list bid is less than or equal to the bid developed using the adjusted composite costs, then the bid shall be entered into the Forward Capacity Auction as described in Section III.13.2.3.2(b). If the Internal Market Monitor determines that the submitted de-list bid is greater than the bid developed using the adjusted composite costs or is not consistent with the submitted supporting cost data, then the Internal Market Monitor will establish an Internal Market Monitor-determined or Internal Market Monitor-accepted price for the bid as described in Section III.13.1.2.3.2.1.

III.13.1.2.3.2. Review by Internal Market Monitor of Bids from Existing Capacity Resources.

The Internal Market Monitor shall review bids for Existing Capacity Resources as follows.

III.13.1.2.3.2.1. Static De-List Bids and Export Bids, Permanent De-List Bids, and Retirement De-List Bids at or Above the Dynamic De-List Bid Threshold.

The Internal Market Monitor shall review each Static De-List Bid and each Export Bid at or above the Dynamic De-List Bid Threshold to determine whether the bid is consistent with: (1) the Existing Capacity Resource's net going forward costs (as determined pursuant to Section III.13.1.2.3.2.1.2.A); (2) reasonable expectations about the resource's Capacity Performance Payments (as determined pursuant to Section III.13.1.2.3.2.1.3); (3) reasonable risk premium assumptions (as determined pursuant to Section

III.13.1.2.3.2.1.4); and (4) the resource's reasonable opportunity costs (as determined pursuant to Section III.13.1.2.3.2.1.5).

The Internal Market Monitor shall review each Permanent De-List Bid greater than 20 MW that is at or above the Dynamic De-List Bid Threshold and each Retirement De-List Bid greater than 20 MW that is at or above the Dynamic De-List Bid Threshold to determine whether the bid is consistent with: (1) the net present value of the resource's expected cash flows (as determined pursuant to Section III.13.1.2.3.2.1.2.B); (2) reasonable expectations about the resource's Capacity Performance Payments (as determined pursuant to Section III.13.1.2.3.2.1.3); and (3) the resource's reasonable opportunity costs (as determined pursuant to Section III.13.1.2.3.2.1.5). If more than one Permanent De-List Bid or Retirement De-List Bid is submitted by a single Lead Market Participant or its Affiliates (as used in Section III.A.24), the Internal Market Monitor shall review each such bid at or above the Dynamic De-List Bid Threshold if the sum of all such bids at or above the Dynamic De-List Bid Threshold is greater than 20 MW. The Internal Market Monitor shall review each Permanent De-List Bid and each Retirement De-List Bid submitted at any price pursuant to Section III.13.2.5.2.1(b) if the sum of the Permanent De-List Bids and Retirement De-List Bids submitted by the Lead Market Participant or its Affiliates (as used in Section III.A.24) is greater than 20 MW. Permanent De-List Bids and Retirement De-List Bids that are not reviewed by the Internal Market Monitor shall be included in the retirement determination notification described in Section III.13.1.2.4(a) and in the filing made to the Commission as described in Section III.13.8.1(a).

Sufficient documentation and information about each bid component must be included in the Existing Capacity Retirement Package or the Existing Capacity Qualification Package to allow the Internal Market Monitor to make the requisite determinations. If a Permanent De-List Bid or Retirement De-List Bid is submitted pursuant to Section III.13.2.5.2.1(b), all relevant updates to previously submitted documentation and information must be provided to support the newly submitted price and allow the Internal Market Monitor to make updated determinations. The updated information may include a request to discontinue the Permanent De-List Bid or Retirement De-List Bid such that it will not be entered into the Forward Capacity Auction, in which case the update must include sufficient supporting information on the nature of resource investments that were undertaken, or other materially changed circumstances, to allow the Internal Market Monitor to determine whether discontinuation is appropriate.

The entire de-list submittal shall be accompanied by an affidavit executed by a corporate officer attesting to the accuracy of its content, including reported costs, the reasonableness of the estimates and

adjustments of costs that would otherwise be avoided if the resource were not required to meet the obligations of a listed resource, and the reasonableness of the expectations and assumptions regarding Capacity Performance Payments, cash flows, opportunity costs, and risk premiums, and shall be subject to audit upon request by the ISO.

III.13.1.2.3.2.1.1. Internal Market Monitor Review of De-List Bids.

The Internal Market Monitor may seek additional information from the Lead Market Participant (including information about the other existing or potential new resources controlled by the Lead Market Participant) after the qualification deadline to address any questions or concerns regarding the data submitted, as appropriate. The Internal Market Monitor shall review all relevant information (including data, studies, and assumptions) to determine whether the bid is consistent with the resource's net going forward costs, reasonable expectations about the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs. In making this determination, the Internal Market Monitor shall consider, among other things, industry standards, market conditions (including published indices and projections), resource-specific characteristics and conditions, portfolio size, and consistency of assumptions across that portfolio.

III.13.1.2.3.2.1.1.1. Review of Static De-List Bids and Export Bids.

The Internal Market Monitor shall review Static De-List Bids and Export Bids and, after due consideration and consultation with the Lead Market Participant, as appropriate, shall develop an Internal Market Monitor-accepted Static De-List Bid or an Internal Market Monitor-accepted Export Bid. The Internal Market Monitor-accepted Static De-List Bid and Internal Market Monitor-accepted Export Bid shall be equal to the Static De-List Bid or Export Bid submitted by the Lead Market Participant unless the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the Internal Market Monitor-accepted de-list bid price(s) for the same de-list bid. If the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the Internal Market Monitor-accepted de-list bid price(s), the Internal Market Monitor shall calculate an Internal Market Monitor-accepted Static De-List Bid or Internal Market-Monitor-accepted Export Bid that is consistent with the sum of the resource's net going forward costs plus reasonable expectations about the resource's Capacity Performance Payments plus reasonable risk premium assumptions plus reasonable opportunity costs.

If an Internal Market Monitor-determined price is established for a Static De-List Bid or an Export Bid, both the qualification determination notification described in Section III.13.1.2.4 and the informational filing made to the Commission as described in Section III.13.8.1(c) shall include an explanation of the

Internal Market Monitor-determined price based on the Internal Market Monitor review and the resource's net going forward costs, reasonable expectations about the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs as determined by the Internal Market Monitor.

III.13.1.2.3.2.1.1.2. Review of Permanent De-List Bids and Retirement De-List Bids.

The Internal Market Monitor shall review those Permanent De-List Bids and Retirement De-List Bids identified in Section III.13.1.2.3.2.1 and, after due consideration and consultation with the Lead Market Participant, as appropriate, shall develop an Internal Market Monitor-accepted Permanent De-List Bid or an Internal Market Monitor-accepted Retirement De-List Bid. The Internal Market Monitor-accepted Permanent De-List Bid and Internal Market Monitor-accepted Retirement De-List Bid shall be equal to the Permanent De-List Bid or Retirement De-List Bid submitted by the Lead Market Participant unless the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the Internal Market Monitor-accepted de-list bid price(s) for the same de-list bid. If the de-list bid price(s) submitted by the Lead Market Participant are more than 10% greater than the Internal Market Monitor-accepted de-list bid price(s), the Internal Market Monitor shall calculate an Internal Market Monitor-accepted Permanent De-List Bid or Internal Market-Monitor-accepted Retirement De-List Bid that is consistent with the sum of the net present value of the resource's expected cash flows plus reasonable expectations about the resource's Capacity Performance Payments plus reasonable opportunity costs.

The retirement determination notification described in Section III.13.1.2.4(a) and the filing made to the Commission as described in Section III.13.8.1(a) shall include an explanation of the Internal Market Monitor-accepted price and the Internal Market Monitor determination on any request to discontinue the Permanent De-List Bid or Retirement De-List Bid.

III.13.1.2.3.2.1.2.A. Static De-List Bid and Export Bid Net Going Forward Costs.

The Lead Market Participant for an Existing Capacity Resource that submits a Static De-List Bid or an Export Bid at or above the Dynamic De-List Bid Threshold that is to be reviewed by the Internal Market Monitor shall report expected net going forward costs for the applicable Capacity Commitment Period in a manner and format specified by the Internal Market Monitor, and may supplement this information with other evidence. A Static De-List Bid or Export Bid at or above the Dynamic De-List Bid Threshold shall be considered consistent with the Existing Capacity Resource's net going forward costs based on a review of the data submitted in the following formula.

Net Going Forward Costs =

$$\frac{(GFC - IMR) \times InfIndex}{(CQ_{Summer, kw}) \times (12 \text{ months})}$$

Where:

GFC = annual going forward costs, in dollars. These are the expected costs and capital expenditures that might otherwise be avoided or not incurred if the resource were not subject to the obligations of a resource with a Capacity Supply Obligation during the Capacity Commitment Period (i.e., maintaining a constant condition of being ready to respond to commitment and dispatch orders). Costs that are not avoidable in a single Capacity Commitment Period and costs associated with the production of energy are not to be included. Service of debt is not a going forward cost. Staffing, maintenance, capital expenses, and other normal expenses that would be avoided only in the absence of a Capacity Supply Obligation may be included. Staffing, maintenance, capital expenses, and other normal expenses that would be avoided only if the resource were not participating in the energy and ancillary services markets may not be included, except in the case of a resource that has indicated in the submission of a Static De-List Bid that the resource will not be participating in the energy and ancillary services markets during the Capacity Commitment Period.

$CQ_{SummerkW}$ = capacity seeking to de-list in kW. In no case shall this value exceed the resource's summer Qualified Capacity.

IMR = expected annual infra-marginal rents, in dollars. In the case of a resource that has indicated in the submission of a Static De-List Bid that the resource will not be participating in the energy and ancillary services markets during the Capacity Commitment Period, this value shall be calculated by subtracting all submitted cost data representing the cumulative expected cost of production (total expenses related to the production of energy, e.g. fuel, actual consumables such as chemicals and water, and, if quantified, incremental labor and maintenance) from the Existing Generating Capacity Resource's total ISO market revenues. In the case of a resource that has indicated in the submission of a Static De-List Bid that the resource will be participating in the energy and ancillary services markets during the Capacity Commitment Period, this value shall be \$0.00.

InfIndex = inflation index. $infIndex = (1 + i)^4$

Where: “i” is the most recent reported 4- Year expected inflation number published by the Federal Reserve Bank of Cleveland at the beginning of the qualification period. The specific value to be used shall be specified by the ISO and available to the Lead Market Participant.

III.13.1.2.3.2.1.2.B Permanent De-List Bid and Retirement De-List Bid Net Present Value of Expected Cash Flows.

The Lead Market Participant for an Existing Capacity Resource that submits a Permanent De-List Bid or Retirement De-List Bid that is to be reviewed by the Internal Market Monitor shall report all expected costs, revenues, prices, discount rates and capital expenditures in a manner and format specified by the Internal Market Monitor, and may supplement this information with other evidence. The Internal Market Monitor will review the Lead Market Participant’s submitted data to ensure that it is consistent with overall market conditions and reflects expected values.

The Internal Market Monitor will adjust any data that are inconsistent with overall market conditions or do not reflect expected values. The Internal Market Monitor shall enter all relevant expected costs, revenues, prices, discount rates and capital expenditures into a capital budgeting model and shall determine the net present value of the Existing Capacity Resource’s expected cash flows as follows:

The net present value of the Existing Capacity Resource’s expected cash flows is equal to (i) the net present value of the Existing Capacity Resource’s net annual expected cash flows over the resource’s remaining economic life (as determined pursuant to Section III.13.1.2.3.2.1.2.C) plus the net present value of the resource’s expected terminal value, using the resource’s discount rate, divided by (ii) the product of the resource’s Qualified Capacity (in kilowatts) and 12 months.

The Existing Capacity Resource’s net annual expected cash flow for the first Capacity Commitment Period of the resource’s remaining economic life is the resource’s expected annual net operating profit excluding expected capacity revenues less its expected capital expenditures in the Capacity Commitment Period.

The Existing Capacity Resource’s net annual expected cash flow for each of the subsequent Capacity Commitment Periods of the resource’s remaining economic life is the resource’s expected annual net operating profit less its expected capital expenditures in the Capacity Commitment Period.

Where:

Expected net operating profit, in dollars, is the Lead Market Participant's expected annual profit that might otherwise be avoided or not accrued if the resource were not subject to the obligations of a listed capacity resource during the Capacity Commitment Period. Expected labor, maintenance, taxes, insurance, administrative and other normal expenses that can be avoided or not incurred if the resource is retired or permanently de-listed may be included. Service of debt is not an avoidable cost and may not be included.

Expected capacity revenues, in dollars, are the forecasted annual expected capacity revenues based on the Lead Market Participant's forecasted expected capacity prices for each of the subsequent Capacity Commitment Periods of the resource's remaining economic life. The Lead Market Participant shall provide the Internal Market Monitor with documentation supporting the forecasted expected capacity prices. The supporting documentation must include a detailed description and sources of the Lead Market Participant's assumptions about expected resource additions, resource retirements, estimated Installed Capacity Requirements, estimated Local Sourcing Requirements, expected market conditions, and any other assumptions used to develop the forecasted expected capacity price in each Capacity Commitment Period.

If the Internal Market Monitor determines the Lead Market Participant has not provided adequate supporting documentation for the forecasted expected capacity prices, the Internal Market Monitor will replace the Lead Market Participant's forecasted expected capacity prices with the Internal Market Monitor's estimate thereof in each of the subsequent Capacity Commitment Periods of the resource's remaining economic life.

Expected capital expenditures, in dollars, are the Lead Market Participant's expected capital investments that might otherwise be avoided or not incurred if the resource were not subject to the obligations of a listed capacity resource during the Capacity Commitment Periods.

Expected terminal value, in dollars, for resources with five years or less of remaining economic life, is the Lead Market Participant's expected revenue less expected costs associated with retiring or permanently de-listing the resource. For resources with more than five years of remaining economic life, the expected terminal value in the fifth year of the evaluation period is the Lead Market Participant's expected revenue less expected costs associated with retiring or permanently de-listing the resource at the end of the resource's economic life plus the net present value of the Existing Capacity Resource's net

annual expected cash flows from the sixth year of the evaluation period through the end of the resource's remaining economic life, using the resource's discount rate.

Discount rate is a value reflecting the Lead Market Participant's weighted average cost of capital for the Existing Capacity Resource adjusted to reflect the risk to cash flows calculated pursuant to the net present value of expected cash flows analysis in this Section III.13.1.2.3.2.1.2.B.

The Lead Market Participant shall provide the Internal Market Monitor with documentation supporting the weighted average cost of capital for the Existing Capacity Resource adjusted for risk.

The supporting documentation must include a detailed description and sources of the Lead Market Participant's assumptions associated with the cost of capital, risks and any other assumptions used to develop the weighted average cost of capital for the Existing Capacity Resource adjusted for risk.

If the Internal Market Monitor determines the Lead Market Participant has not provided adequate supporting documentation for the weighted average cost of capital for the Existing Capacity Resource adjusted for risk, the Lead Market Participant has included risks not associated with cash flows calculated pursuant to the net present value of expected cash flows analysis in this Section III.13.1.2.3.2.1.2.B or the Lead Market Participant has submitted costs, revenues, capital expenditures or prices that are not reflective of expected values, the Internal Market Monitor will replace the Lead Market Participant's discount rate with a value determined by the Internal Market Monitor.

III.13.1.2.3.2.1.2.C Permanent De-List Bid and Retirement De-List Bid Calculation of Remaining Economic Life.

The Internal Market Monitor shall calculate the Existing Capacity Resource's remaining economic life, using evaluation periods ranging from one to five years. For each evaluation period, the Internal Market Monitor will calculate the net present value of (a) the annual expected net operating profit minus annual expected capital expenditures assuming the Capacity Clearing Price for the first year is equal to the Forward Capacity Auction Starting Price and (b) the expected terminal value of the resource at the end of the given evaluation period. The economic life is the maximum evaluation period in which a resource's net present value is non-negative. However, effective April 9, 2020, beginning with the sixteenth Forward Capacity Auction, the economic life is the evaluation period in which a resource's net present value is maximized.

III.13.1.2.3.2.1.3. Expected Capacity Performance Payments.

The Lead Market Participant for an Existing Capacity Resource that submits a Static De-List Bid or an Export Bid, Permanent De-List Bid, or Retirement De-List Bid at or above the Dynamic De-List Bid Threshold that is to be reviewed by the Internal Market Monitor shall also provide documentation separately detailing the expected Capacity Performance Payments for the resource. This documentation must include expectations regarding the applicable Capacity Balancing Ratio, the number of hours of reserve deficiency, and the resource's performance during reserve deficiencies.

III.13.1.2.3.2.1.4. Risk Premium.

The Lead Market Participant for an Existing Capacity Resource that submits a Static De-List Bid, or an Export Bid at or above the Dynamic De-List Bid Threshold that is to be reviewed by the Internal Market Monitor shall also provide documentation separately detailing any risk premium included in the bid. This documentation should address all components of physical and financial risk reflected in the bid, including, for example, catastrophic events, a higher than expected amount of reserve deficiencies, and performing scheduled maintenance during reserve deficiencies. Any risk that can be quantified and analytically supported and that is not already reflected in the formula for net going forward costs described in Section III.13.1.2.3.2.1.2.A may be included in this risk premium component. In support of the resource's risk premium, the Lead Market Participant may also submit an affidavit from a corporate officer attesting that the risk premium submitted is the minimum necessary to ensure that the overall level of risk associated with the resource's participation in the Forward Capacity Market is consistent with the participant's corporate risk management practices.

III.13.1.2.3.2.1.5. Opportunity Costs.

To the extent that an Existing Capacity Resource submitting a Static De-List Bid or an Export Bid, Permanent De-List Bid or Retirement De-List Bid at or above the Dynamic De-List Bid Threshold has additional opportunity costs that are not reflected in the net going forward costs, net present value of expected cash flows, expected Capacity Performance Payments, discount rate, or risk premium components of the bid, the Lead Market Participant must include in the Existing Capacity Qualification Package evidence supporting such costs. Opportunity costs associated with major repairs necessary to restore decreases in capacity as described in Section III.13.1.2.2.4, capital projects required to operate the plant as a capacity resource or other uses of the resource shall be considered, provided such costs are substantiated by evidence of a repair plan, documented business plan and fundamental market analysis, or other independent and transparent trading index or indices as applicable. Substantiation of opportunity costs relying on sales in reconfiguration auctions or risk aversion premiums shall not be considered sufficient justification.

III.13.1.2.3.2.2. [Reserved.]

III.13.1.2.3.2.3. Administrative Export De-List Bids.

The Internal Market Monitor shall review each Administrative Export De-List Bid associated with a multi-year contract entered into prior to April 30, 2007 in the first Forward Capacity Auction in which it clears. An Administrative Export De-List Bid shall be rejected if the Internal Market Monitor determines that the bid may be an attempt to manipulate the Forward Capacity Auction, and the matter will be referred to the Commission in accordance with the protocols set forth in Appendix A to the Commission's Market Monitoring Policy Statement (111 FERC ¶ 61,267 (2005)).

III.13.1.2.3.2.4. Static De-List Bids for Reductions in Ratings Due to Ambient Air Conditions.

A Lead Market Participant may submit a Static De-List Bid for up to the megawatt amount that the Lead Market Participant expects will not be physically available due to the difference between the summer Qualified Capacity at 90 degrees and the expected rating of the resource at 100 degrees. The ISO shall verify during the qualification process that the rating is accurate. Such Static De-List Bids may be entered into the Forward Capacity Market at prices up to and including the Forward Capacity Auction Starting Price, subject to validation of the physical limit. Static De-List Bids for reductions in ratings due to ambient air conditions shall not be subject to the review described in Section III.13.1.2.3.2 and need not include documentation for that purpose.

III.13.1.2.3.2.5. Static De-List Bid Incremental Capital Expenditure Recovery Schedule.

Except as described below, the Internal Market Monitor shall review all Static De-List Bids using the following cost recovery schedule for incremental capital expenditures, which assumes an annual pre-tax weighted average cost of capital of 10 percent.

Age of Existing Resource (years)	Remaining Life (years)	Annual Rate of Capital Cost Recovery
1 to 5	30	0.106
6 to 10	25	0.110
11 to 15	20	0.117

16 to 20	15	0.131
21 to 25	10	0.163
25 plus	5	0.264

A Market Participant may request that a different pre-tax weighted average cost of capital be used to determine the resource's annual rate of capital cost recovery by submitting the request, along with supporting documentation, in the Existing Capacity Qualification Package. The Internal Market Monitor shall review the request and supporting documentation and may, at its sole discretion, replace the annual rate of capital cost recovery from the table above with a resource-specific value based on an adjusted pre-tax weighted average cost of capital. If the Internal Market Monitor uses an adjusted pre-tax weighted average cost of capital for the resource, then the resource's annual rate of capital cost recovery will be determined according to the following formula:

$$\frac{\text{Cost Of Capital}}{(1 - (1 + \text{CostOfCapital})^{-\text{RemainingLife}})}$$

Where:

Cost Of Capital = the adjusted pre-tax weighted average cost of capital.

Remaining Life = the remaining life of the existing resource, based on the age of the resource, as indicated in the table above.

III.13.1.2.4. Retirement Determination Notification for Existing Capacity and Qualification Determination Notification for Existing Capacity.

(a) No later than five Business Days before the Existing Capacity Qualification Deadline, the ISO shall send notification to the Lead Market Participant that submitted each Permanent De-List Bid and Retirement De-List Bid concerning the result of the Internal Market Monitor's review conducted pursuant to Section III.13.1.2.3.2. This retirement determination notification shall not include the results of the reliability review pursuant to Sections III.13.1.2.3.1.5.1 or III.13.2.5.2.5.

(b) No later than 127 days before the Forward Capacity Auction, the ISO shall send notification to the Lead Market Participant that submitted each Static De-List Bid and Export Bid concerning the result of the Internal Market Monitor's de-list bid review conducted pursuant to Section III.13.1.2.3.2. The qualification determination shall not include the results of the reliability review pursuant to Section III.13.2.5.2.5. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity

Commitment Period), the ISO shall send notification to the Lead Market Participant that submitted each Static De-List Bid and Export Bid concerning the result of the Internal Market Monitor's de-list bid review conducted pursuant to Section III.13.1.2.3.2 no later than October 12, 2023. The qualification determination shall not include the results of the reliability review pursuant to Section III.13.2.5.2.5.

III.13.1.2.4.1. Participant-Elected Retirement or Conditional Treatment.

No later than five Business Days after the issuance by the ISO of the retirement determination notification described in Section III.13.1.2.4(a), a Lead Market Participant that submitted a Permanent De-List Bid or Retirement De-List Bid may make an election pursuant to Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b). If the Lead Market Participant does not make an election pursuant to Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b), the prices provided by the Internal Market Monitor in the retirement determination notifications shall be the finalized prices used in the Forward Capacity Auction as described in Section III.13.2.3.2(b) (unless otherwise directed by the Commission).

(a) A Lead Market Participant may elect to retire the resource, or portion thereof, for which it has submitted a Permanent De-List Bid or Retirement De-List Bid. The capacity associated with a Permanent De-List Bid or Retirement De-List Bid subject to this election will not be subject to reliability review and will be retired pursuant to Section III.13.2.5.2.5.3(a); provided, however, that when making the retirement election pursuant to this Section III.13.1.2.4.1(a) the Lead Market Participant may opt to have the resource reviewed for reliability pursuant to Section III.13.1.2.3.1.5.1, in which case the Lead Market Participant may have the opportunity (but will not be obligated) to provide capacity from the resource if the ISO determines that the resource is needed for reliability reasons, as described in Section III.13.1.2.3.1.5.1(d).

(b) A Lead Market Participant may elect conditional treatment for the Permanent De-List Bid or Retirement De-List Bid. The capacity associated with a Permanent De-List Bid or Retirement De-List Bid subject to this election will be treated as described in Section III.13.2.3.2(b)(ii), Section III.13.2.5.2.1, and Section III.13.2.5.2.5.3; provided, however, that in making this election the Lead Market Participant may opt to have the resource reviewed for reliability pursuant to Section III.13.1.2.3.1.5.1, in which case the Lead Market Participant may have the opportunity (but will not be obligated) to provide capacity from the resource if the ISO determines that the resource is needed for reliability reasons, as described in Section III.13.1.2.3.1.5.1(d).

III.13.1.2.5. Optional Existing Capacity Qualification Package for New Generating Capacity Resources Previously Counted as Capacity.

A resource seeking to participate in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.2 (resources previously counted as capacity resources) may elect to submit an Existing Capacity Qualification Package in addition to the New Capacity Show of Interest Form and New Capacity Qualification Package that it is required to submit pursuant to Section III.13.1.1.2. The bids contained in an Existing Capacity Qualification Package submitted pursuant to this Section III.13.1.2.5 must clearly indicate which New Generating Capacity Resource the Existing Capacity Qualification Package is associated with, and if accepted in accordance with Section III.13.1.2.3, would only be entered into the Forward Capacity Auction where: (i) the new resource is not accepted for participation in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.2; or (ii) no offer from that New Generating Capacity Resource clears in the Forward Capacity Auction, as described in Section III.13.2.3.2(e). An Existing Capacity Qualification Package submitted pursuant to this Section III.13.1.2.5 must conform in all other respects to the requirements of this Section III.13.1.2.

III.13.1.3. Import Capacity.

The qualification requirements for import capacity shall depend on whether the import capacity is an Existing Import Capacity Resource or a New Import Capacity Resource. Both Existing Import Capacity Resources and New Import Capacity Resources clearing in the Forward Capacity Auction must be backed by one or more External Resources or by an external Control Area throughout the relevant Capacity Commitment Period. An external demand resource may not be an Existing Import Capacity Resource or a New Import Capacity Resource. External nodes shall be established and mapped to Capacity Zones pursuant to the provisions in Attachment K to Section II of the Transmission, Markets and Services Tariff.

An Elective Transmission Upgrade with an Interconnection Request for Capacity Network Import Interconnection Service under Schedule 25 of Section II of the Transmission, Markets and Services Tariff shall be included in the FCM after it has established a contractual association with an Import Capacity Resource and that Import Capacity Resource has met the Forward Capacity Market qualification requirements. An external node for such an Elective Transmission Upgrade will be modeled for participation in the Forward Capacity Market after the Import Capacity Resource meets the requirements to participate in the FCA. The Qualified Capacity of an Import Capacity Resource associated with an Elective Transmission Upgrade shall not exceed the Elective Transmission Upgrade's Capacity Network

Import Capability specified in its Capacity Network Import Interconnection Service Interconnection Request. The provisions in Sections III.13.1.3.5.4, permitting a Capacity Commitment Period Election, and in Section III.13.1.3.5.8, permitting a rationing election, shall apply to a New Import Capacity Resource associated with an Elective Transmission Upgrade seeking to reestablish Capacity Network Import Interconnection Service if the threshold to be treated as a new resource in Section III.13.1.1.4 is met. If the threshold to be treated as a new increment in Section III.13.1.1.3 is met, only the increment will be eligible for the provisions in Sections III.13.1.3.5.4, permitting a Capacity Commitment Period Election, and in Section III.13.1.3.5.8, permitting a rationing election.

III.13.1.3.1. Definition of Existing Import Capacity Resource.

Capacity associated with a multi-year contract entered into before the Existing Capacity Retirement Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for a period including the whole Capacity Commitment Period, or capacity from an External Resource that is owned or directly controlled by the Lead Market Participant and which is committed for at least two whole consecutive Capacity Commitment Periods by the Lead Market Participant in the New Capacity Qualification Package, shall participate in the Forward Capacity Auction as an Existing Import Capacity Resource, except that if that Existing Import Capacity Resource has not cleared in a previous Forward Capacity Auction, then the import capacity shall participate in the Forward Capacity Auction as a New Import Capacity Resource.

III.13.1.3.2. Qualified Capacity for Existing Import Capacity Resources.

The summer Qualified Capacity and winter Qualified Capacity of an Existing Import Capacity Resource shall be based on the data provided to the ISO during the qualification process, subject to ISO review and verification.

The qualified capacity for the Existing Import Capacity Resources associated with the VJO and NYPA contracts listed in Section III.13.1.3.3.A(c) as of the Capacity Commitment Period beginning June 1, 2014 shall be equal to the lesser of the stated amount in Section III.13.1.3.3.A(c) or the median amount of the energy delivered from the Existing Import Capacity Resource during the New England system coincident peak over the previous five Capacity Commitment Periods at the time of qualification.

III.13.1.3.3.A Qualification Process for Existing Import Capacity Resources that are not associated with an Elective Transmission Upgrade with Capacity Network Import Interconnection Service.

Existing Import Capacity Resources shall be subject to the same qualification process as Existing Generating Capacity Resources, as described in Section III.13.1.2.3, except as follows:

- (a) The Qualified Capacity shall be the lesser of the multi-year contract values as documented in the new resource qualification determination notification and the capacity clearing in the Forward Capacity Auction to which the new resource qualification determination notification applied.
- (b) The rationing election described in Section III.13.1.2.3.1 shall not apply.
- (c) The Existing Import Capacity Resources associated with contracts listed in the table below may qualify to receive the treatment described in Section III.13.2.7.3A for the duration of the contracts as listed. For each Forward Capacity Auction after the first Forward Capacity Auction, in order for an Existing Import Capacity Resource associated with a contract listed below to qualify for the treatment described in Section III.13.2.7.3A, no later than 10 Business Days prior to the Existing Capacity Retirement Deadline, the Market Participant submitting the Existing Import Capacity Resource must also submit to the ISO documentation verifying that the contract will remain in effect throughout the Capacity Commitment Period and that it has not been amended. For the first Forward Capacity Auction, Existing Import Capacity Resources associated with contracts listed in the table below are qualified to receive the treatment described in Section III.13.2.7.3A.

Contract Description	MW	Contract End Date
NYPA: NY — NE: CMEEC	13.2	8/31/2025
NYPA: NY — NE: MMWEC	53.3	8/31/2025
NYPA: NY — NE: Pascoag	2.3	8/31/2025
NYPA: NY— NE: VELCO	15.3	8/31/2025
	84.1	
VJO: Highgate — NE	Up to 225	10/31/2016
VJO: Highgate — NE (extension) (beginning 11/01/2016)	Up to 6	October 2020
VJO: Phase I/II — NE	Up to 110	10/31/2016

- (d) In addition to the review described in Section III.13.1.2.3.2, the Internal Market Monitor shall review each bid from Existing Import Capacity Resources. A bid from an Existing Import Capacity Resource shall be rejected if the Internal Market Monitor determines that the bid may be an attempt to manipulate the Forward Capacity Auction, and the matter will be referred to the Commission in

accordance with the protocols set forth in Appendix A to the Commission's Market Monitoring Policy Statement (111 FERC ¶ 61,267 (2005)).

III.13.1.3.3.B. Qualification Process for Existing Import Capacity Resources that are associated with an Elective Transmission Upgrade with Capacity Import Interconnection Service.

Existing Import Capacity Resources associated with an Elective Transmission Upgrade with Capacity Import Interconnection Service pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff shall be subject to the same qualification process as Existing Generating Capacity Resources as described in Section III.13.1.2.3, except the Qualified Capacity shall be the lesser of the multi-year contract values as documented in the new resource qualification determination notification and the capacity clearing in the Forward Capacity Auction to which the new resource qualification determination notification applied.

III.13.1.3.4. Definition of New Import Capacity Resource.

Capacity not associated with a multi-year contract entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside the New England Control Area for the whole Capacity Commitment Period, but that meets the requirements of Section III.13.1.3.5.1, shall participate in the Forward Capacity Auction as a New Import Capacity Resource. For capacity associated with a multi-year contract entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside the New England Control Area for a period including the whole Capacity Commitment Period, or capacity from an External Resource that is owned or directly controlled by the Lead Market Participant and which is committed for at least two whole consecutive Capacity Commitment Periods by the Lead Market Participant in the New Capacity Qualification Package, if the import capacity has not cleared in a previous Forward Capacity Auction, then the import capacity shall participate in the Forward Capacity Auction as a New Import Capacity Resource.

III.13.1.3.5. Qualification Process for New Import Capacity Resources.

The qualification process for a New Import Capacity Resource, whether backed by a new External Resource, by one or more existing External Resources, or by an external Control Area, shall be the same as the qualification process for a New Generating Capacity Resource, as described in Section III.13.1.1.2, except as follows:

III.13.1.3.5.1. Documentation of Import.

(a) For each New Import Capacity Resource, the Project Sponsor submitting the import capacity must also submit: (i) documentation of a one-year contract entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for the entire Capacity Commitment Period, including documentation of the MW value of the contract; (ii) documentation of a multi-year contract entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for the contract period including the entire Capacity Commitment Period, including documentation of the MW value of the contract; (iii) proof of ownership or direct control over one or more External Resources that will be used to back the New Import Capacity Resource during the Capacity Commitment Period, including information to establish the summer and winter ratings of the resource(s) backing the import; or (iv) documentation for system-backed import capacity that the import capacity will be supported by the Control Area and that the energy associated with that system-backed import capacity will be afforded the same curtailment priority as that Control Area's native load. For each New Import Capacity Resource, the Project Sponsor must specify the interface over which the capacity will be imported. The Project Sponsor must indicate whether the import is associated with any investment in transmission that increases New England's import capability or is associated with an Elective Transmission Upgrade with an Interconnection Request for Capacity Network Import Interconnection Service pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff that has not yet achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff. The Project Sponsor must submit a contract confirming its association with the Elective Transmission Upgrade Interconnection Customer and the ISO will confirm that relationship. If the import will be backed by a single new External Resource, the Project Sponsor submitting the import capacity must also submit a general description of the project's equipment configuration, including a description of the resource technology type.

(b) To qualify for Capacity Commitment Periods prior to the Capacity Commitment Period associated with the Forward Capacity Auction for which the import capacity is qualifying, the Project Sponsor must submit documentation of one or more one-year contracts for each prior Capacity Commitment Period, entered into before the New Capacity Qualification Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for the entire Capacity Commitment Period, including documentation of the MW value of the contract(s); the Project Sponsor must also satisfy the relevant requirements of Sections III.13.1.3.5.1(a) , III.13.1.3.5.2, III.13.1.9, and III.13.3.1.1.

III.13.1.3.5.2. Import Backed by Existing External Resources.

If the New Import Capacity Resource will be backed by one or more External Resources existing at the time of the Forward Capacity Auction and the capacity will be imported over an interface that has achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule (Section III.13.1.1.2.2.2) shall not apply, and the Project Sponsor shall instead submit a description of how the New Import Capacity Resource will meet its Capacity Supply Obligation in the Capacity Commitment Period(s) for which it seeks to qualify.

If the New Import Capacity Resource will be backed by one or more External Resources existing at the time of the Forward Capacity Auction and the capacity will be imported over an interface that has not achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule (Section III.13.1.1.2.2.2) shall apply in addition to the requirement that the Project Sponsor submit a description of how the New Import Capacity Resource will meet its Capacity Supply Obligation in the Capacity Commitment Period(s) for which it seeks to qualify.

The description must indicate specifically which External Resources will back the New Import Capacity Resource during the Capacity Commitment Period, and if those External Resources are not owned or controlled directly by the Project Sponsor, the description must include a commitment that the External Resources will have sufficient capacity that is not obligated outside the New England Control Area to fully satisfy the New Import Capacity Resource's potential Capacity Supply Obligation during the Capacity Commitment Period and demonstrate how that commitment will be met.

III.13.1.3.5.3. Imports Backed by an External Control Area.

If the New Import Capacity Resource will be backed by an external Control Area and the capacity will be imported over an interface that has achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule (Section III.13.1.1.2.2.2) shall not apply, and the Project Sponsor shall instead submit system load and capacity projections for the external Control Area showing sufficient excess capacity during the Capacity Commitment Period to back the New Import Capacity Resource.

If the New Import Capacity Resource will be backed by an external Control Area and the capacity will be imported over an Elective Transmission Upgrade and the capacity will be imported over an interface that has not achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff, the provisions regarding site control (Section III.13.1.1.2.2.1) and critical path schedule (Section III.13.1.1.2.2.2) shall apply in addition to the requirement that the Project Sponsor submit system load and capacity projections for the external Control Area showing sufficient excess capacity during the Capacity Commitment Period to back the New Import Capacity Resource for the length of the multi-year contract.

III.13.1.3.5.3.1. Imports Crossing Intervening Control Areas.

The preceding rules define requirements associated with the import of capacity from a Control Area, or resources located in a Control Area, directly adjacent to the New England Control Area. Imports of capacity from a Control Area or resources located in a Control Area where such import crosses an intervening Control Area or Control Areas shall comply with the following additional requirements: (1) For imports crossing a single intervening Control Area, the Project Sponsor entering the import contract shall demonstrate, as detailed in the ISO New England Manuals, that the remote Control Area will afford the energy export to the adjacent intervening Control Area the same curtailment priority as its native load, that the adjacent intervening Control Area has procedures in place to explicitly recognize the linkage between the import and re-export of energy in support of the import contract, and that the energy export to the ISO will not be curtailed (except pro-rata with a curtailment of native load) so long as the linked import is flowing. (2) For imports crossing more than one intervening Control Area, in addition to the requirements above, the Project Sponsor entering the import contract shall demonstrate, as detailed in the ISO New England Manuals, by the New Capacity Qualification Deadline, that explicit market and operating procedures exist among the intervening Control Areas to ensure that the energy required to be delivered to the New England Control Area will be guaranteed the same curtailment priority as the intervening native loads, and that none of the intervening Control Areas will curtail the transaction except in conjunction with a curtailment of native load. (3) The Project Sponsor entering the import contract shall demonstrate that capacity it supplies to the New England Control Area will not be recalled or curtailed to satisfy the load of the external Control Area, or that the external Control Area in which it is located will afford New England Control Area load the same curtailment priority that it affords its own Control Area native load.

III.13.1.3.5.4. Capacity Commitment Period Election.

The provisions regarding Capacity Commitment Period election (Section III.13.1.1.2.2.4) shall only apply to a New Import Capacity Resource associated with an Elective Transmission Upgrade with a Capacity Network Import Interconnection Service Interconnection Request. All other New Import Capacity Resources clearing in the Forward Capacity Auction shall have a Capacity Supply Obligation and shall receive payments only for the one-year Capacity Commitment Period associated with that Forward Capacity Auction.

III.13.1.3.5.5. Interconnection Review.

The provisions regarding interconnection review (Section III.13.1.1.2.3, Section III.13.1.1.2.3A and III.13.1.1.2.3B) shall not apply unless the capacity will be imported over an Elective Transmission Upgrade pursuing Capacity Network Import Interconnection Service pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff that has not achieved Commercial Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff.

III.13.1.3.5.5.A. Offer Information.

(a) A New Import Capacity Resource that is not subject to the pivotal supplier test in Section III.A.23 is subject to the same offer information submission requirements for a New Generating Capacity Resource that are described in Section III.13.1.1.2.2.3.

(b) A New Import Capacity Resource that is subject to the pivotal supplier test in Section III.A.23 and seeks to specify a price below which it would not accept a Capacity Supply Obligation for that resource, or a portion thereof, that is at or above the Dynamic De-List Bid Threshold must submit the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and documentation and information supporting such lowest price, which should include the documentation and information listed in Section III.13.1.1.2.2.3(a) and the expected costs of purchasing power outside the New England Control Area (including transaction costs and supported by forward power price index values or a power price forecast for the applicable Capacity Commitment Period), expected transmission costs outside the New England Control Area, and expected transmission costs associated with importing to the New England Control Area, and may also include reasonable opportunity costs and risk adjustments. The offer information may be submitted in the form of a curve (up to five price-quantity pairs) associated with a specific New Import Capacity Resource. The curve may in no case increase the quantity offered as the price decreases. Each price is subject to review by the Internal Market Monitor pursuant to Section III.A.21.4 and must include the additional documentation described in that Section.

III.13.1.3.5.6. Review by Internal Market Monitor of Offers from New Import Capacity Resources.

In addition to the review described in Section III.A.21, the Internal Market Monitor shall review each offer from New Import Capacity Resources. An offer from a New Import Capacity Resource shall be rejected if the Internal Market Monitor determines that the bid may be an attempt to manipulate the Forward Capacity Auction, and the matter will be referred to the Commission in accordance with the protocols set forth in Section III.A.19 of Market Rule 1.

III.13.1.3.5.7. Qualification Determination Notification for New Import Capacity Resources.

For New Import Capacity Resources, the qualification determination notification described in Section III.13.1.1.2.8 shall be modified to reflect the differences in the qualification process described in this Section III.13.1.3.5.

No later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.1.2.8, a Lead Market Participant with a New Import Capacity Resource that is subject to the pivotal supplier test in Section III.A.23 and that submitted a request to submit offers in the Forward Capacity Auction pursuant to Section III.13.1.3.5.5.A(b) may: (a) lower the requested offer price of any price-quantity pair submitted to the ISO, provided that the revised price is greater than or equal to the Dynamic De-List Bid Threshold, or (b) withdraw any price-quantity pair of a requested offer price.

III.13.1.3.5.8. Rationing Election.

New Import Capacity Resources are subject to rationing except New Import Capacity Resource associated with an Elective Transmission Upgrade with a Capacity Network Import Interconnection Service Interconnection Request, which are eligible for the rationing election described in Section III.13.1.1.2.2.3(b).

III.13.1.4. Demand Capacity Resources.

To participate in a Forward Capacity Auction as a Demand Capacity Resource, a resource must meet the requirements of this Section III.13.1.4. Each Demand Capacity Resource shall be a minimum of 100 kW. An Active Demand Capacity Resource comprises one or more Demand Response Resources located in a single Dispatch Zone. An On-Peak Demand Resource or Seasonal Peak Demand Resource comprises one or more Assets located in a single Load Zone. An On-Peak Demand Resource or Seasonal Peak Demand

Resource may consist of Load Management measures, Distributed Generation measures, or a combination thereof, or may consist solely of Energy Efficiency measures. A Demand Capacity Resource may include an end-use customer facility with a Net Supply Capability of 5 MW or more only if the facility's Net Supply Capability does not exceed its Maximum Facility Load. Demand Capacity Resources must comply with all applicable federal, state, and local regulatory, siting, and tariff requirements, including interconnection tariff requirements related to siting, interconnection, and operation of the Demand Capacity Resource. Demand Capacity Resources are not permitted to submit import or export bids or Administrative Export De-List Bids.

III.13.1.4.1. Definition of New Demand Capacity Resource.

A New Demand Capacity Resource is an Active Demand Capacity Resource that has not cleared in a previous Forward Capacity Auction, and an On-Peak Demand Resource consisting of measures that have not been in service prior to the Existing Capacity Qualification Deadline of the applicable Forward Capacity Auction, or a Seasonal Peak Demand Resource consisting of measures that have not been in service prior to the Existing Capacity Qualification Deadline of the applicable Forward Capacity Auction. For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), a New Demand Capacity Resource is an Active Demand Capacity Resource that has not cleared in a previous Forward Capacity Auction, and an On-Peak Demand Resource or Seasonal Peak Demand Resource consisting of measures that have not been in service prior to June 5, 2023. A Demand Capacity Resource that has previously been defined as an Existing Demand Capacity Resource shall be considered a New Demand Capacity Resource if it meets one of the conditions listed in Section III.13.1.1.1.2.

III.13.1.4.1.1. Qualification Process for New Demand Capacity Resources.

For Forward Capacity Auctions a New Demand Capacity Resource shall have a summer Qualified Capacity and winter Qualified Capacity based on the resource's estimated demand reduction value as submitted and reviewed pursuant to this Section III.13.1.4. The FCA Qualified Capacity for a New Demand Capacity Resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

(a) For a resource to qualify as a New Demand Capacity Resource, the resource's Project Sponsor must make two separate submissions to the ISO: First, the Project Sponsor must submit estimated demand reduction values and supporting information in the New Demand Capacity Resource Show of Interest Form as described in Section III.13.1.4.1.1.1. Second, the Project Sponsor must submit a New Demand Capacity Resource Qualification Package as described in Section III.13.1.4.1.1.2.

(b) For a resource to qualify as a New Demand Capacity Resource that is an On-Peak Demand Resource or a Seasonal Peak Demand Resource, the Project Sponsor must in addition submit, as part of the New Demand Capacity Resource Qualification Package, a Measurement and Verification Plan providing the documentation, analysis, studies and methodologies used to support the estimates described in this Section III.13.1.4.1.1, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.1.1.1. New Demand Capacity Resource Show of Interest Form.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource, the Project Sponsor must submit to the ISO a New Demand Capacity Resource Show of Interest Form as described in this Section III.13.1.4.1.1.1 during the New Capacity Show of Interest Submission Window, as described in Section III.13.1.10. A New Demand Capacity Resource Show of Interest Form for a resource composed of Energy Efficiency measures must represent a resource with a new and unique resource identification number. The ISO may waive the submission of any information not required for evaluation of a project.

A completed New Demand Capacity Resource Show of Interest Form shall include, but is not limited to, the following information: project name; Load Zone within which the Demand Capacity Resource will be located; the Dispatch Zone within which an Active Demand Capacity Resource will be located; estimated summer and winter demand reduction values (MW) per measure and/or per customer facility (measured at the customer meter and not including losses); estimated total summer and winter demand reduction value of the Demand Capacity Resource (for an Active Demand Capacity Resource, this estimate must be consistent with the baseline calculation methodology in Section III.8.2); supporting documentation (e.g., engineering estimates or documentation of verified savings from comparable projects) to substantiate the reasonableness of the estimated demand reduction values; Demand Capacity Resource type (Active Demand Capacity Resource, On-Peak Demand Resource, or Seasonal Peak Demand Resource); brief Demand Capacity Resource project description including measure type (i.e., Energy Efficiency, Load Management, and/or Distributed Generation); types of facilities at which the measures will be implemented; customer classes and end-uses served; the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the Project Sponsor's New Demand Capacity Resource Qualification Package has achieved its full demand reduction value; ISO Market Participant status and ISO customer identification (if applicable); status under Schedules 22

or 23 of the Transmission, Markets and Services Tariff (if applicable); project/technical and credit/financial contacts; for individual Distributed Generation projects and Demand Capacity Resource projects from a single facility with a demand reduction value equal to or greater than 5 MW, the Pnode and service address at which the end-use facility is located; capability and experience of the Project Sponsor.

III.13.1.4.1.1.2. New Demand Capacity Resource Qualification Package.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource, the Project Sponsor must submit a New Demand Capacity Resource Qualification Package no later than the New Capacity Qualification Deadline. The New Demand Capacity Resource Qualification Package shall conform to the requirements of this Section

III.13.1.4.1.1.2. The ISO may waive the submission of any information not required for evaluation of a project.

III.13.1.4.1.1.2.1. Source of Funding.

The Project Sponsor must provide in the New Demand Capacity Resource Qualification Package the source of funding, which includes, but is not limited to, the following: the source(s) of public benefits funding or private financing, or a funding plan supplemented by information on how previous projects were funded; and a completed ISO credit application.

III.13.1.4.1.1.2.2. Measurement and Verification Plan.

For On-Peak Demand Resources and Seasonal Peak Demand Resources, the Project Sponsor must provide in the New Demand Capacity Resource Qualification Package a Measurement and Verification Plan that complies with the ISO's measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.1.1.2.3. Customer Acquisition Plan.

(a) A Project Sponsor with more than a single customer must include in the New Demand Capacity Resource Qualification Package a description of its plan to acquire customers that includes, but is not limited to, the following information: a description of proposed customer market; the estimated size of target market and supporting documentation; a marketing plan with supporting documentation describing the manner in which customers will be recruited; and evidence supporting the viability of the marketing plan.

(b) A Project Sponsor for a New Demand Capacity Resource that includes one or more end-use customer facilities with behind-the-meter generation must include in the New Demand Capacity Resource Qualification Package information demonstrating that each facility's Net Supply Capability will be less than 5 MW or less than or equal to the facility's Maximum Facility Load.

III.13.1.4.1.1.2.4. Critical Path Schedule for a Demand Capacity Resource with a Demand Reduction Value of at Least 5 MW at a Single Retail Delivery Point.

The Project Sponsor of a Demand Capacity Resource with a demand reduction value of at least 5 MW at a single Retail Delivery Point shall provide in the New Demand Capacity Resource Qualification Package a critical path schedule as set forth in Section III.13.1.1.2.2.2.

III.13.1.4.1.1.2.5. Critical Path Schedule for a Demand Capacity Resource with All Retail Delivery Points Having a Demand Reduction Value of Less Than 5 MW.

The Project Sponsor of a Demand Capacity Resource with all Retail Delivery Points having a demand reduction value of less than 5 MW shall provide in the New Demand Capacity Resource Qualification Package a critical path schedule comprised of a delivery schedule of the share of total offered demand reduction value achieved as of target dates, as follows: (i) the cumulative percentage of total demand reduction value achieved on target date 1 occurring five weeks prior to the first annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; (ii) the cumulative percentage of total demand reduction value achieved on target date 2 occurring five weeks prior to the second annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; and (iii) target date 3 which is the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the Project Sponsor's New Demand Capacity Resource Qualification Package has achieved its full demand reduction value, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100% of total demand reduction value must be complete.

III.13.1.4.1.1.2.6. [Reserved.]

III.13.1.4.1.1.2.7. Capacity Commitment Period Election.

Project Sponsors shall be required to specify whether they are making the election set forth in this Section III.13.1.4.1.1.2.7 for each Forward Capacity Auction up to and including the auction held in February 2021 for the June 1, 2024 through May 31, 2025 Capacity Commitment Period, and no election shall be permitted thereafter.

For each Forward Capacity Auction occurring up to and including the February 2021 auction, in the New Demand Capacity Resource Qualification Package, the Project Sponsor must specify whether, if its New Demand Capacity Resource offer clears in the Forward Capacity Auction, the associated Capacity Supply Obligation and Capacity Clearing Price (indexed for inflation) shall continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, for up to six additional and consecutive Capacity Commitment Periods, in whole Capacity Commitment Period increments only. If no such election is made in the New Demand Capacity Resource Qualification Package, the Capacity Supply Obligation and Capacity Clearing Price associated with the New Demand Capacity Resource offer shall apply only for the Capacity Commitment Period associated with the Forward Capacity Auction in which the New Demand Capacity Resource offer clears. If the Project Sponsor elects to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, then the Project Sponsor may not change the Demand Capacity Resource type as long as that Capacity Supply Obligation and Capacity Clearing Price continue to apply. If an offer from a New Demand Capacity Resource clears in the Forward Capacity Auction, the capacity associated with the resulting Capacity Supply Obligation may not be subject to any type of de-list or export bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply pursuant to this Section III.13.1.4.1.1.2.7.

III.13.1.4.1.1.2.8. Offer Information from New Demand Capacity Resources.

(a) For a New Demand Capacity Resource that does not satisfy any of the conditions described in Sections III.A.21.1.1 or III.A.21.1.2 based on the information submitted at the time of the New Demand Capacity Resource Qualification Package, and for which the Project Sponsor does not provide a Load-Side Relationship Certification described in Section III.A.21.1.3, the Project Sponsor must include in the New Demand Capacity Resource Qualification Package the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and sufficient documentation and information for a buyer-sider market power review pursuant to Section III.A.21.2. Such documentation and information includes all financial estimates, projected revenues, and cost projections for the project, including the project's pro-forma financing support data and anticipated out-of-market revenues (as defined in Section III.A.21.3(b)(i)). For a New Demand Capacity Resource that has achieved commercial operation prior to the New Capacity Qualification Deadline, such documentation should also include all financial data of actual incurred capital costs, actual operating costs, and actual revenues since the date of commercial operation.

A Project Sponsor that submits a Load-Side Relationship Certification as part of the New Demand Capacity Resource Qualification Package pursuant to Section III.13.1.4.1.1.2.9 must be prepared to provide both (1) the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and (2) the documentation and information described in this subsection (a), in the event that the ISO determines that the Load-Side Relationship Certification does not meet the requirements of Section III.A.21.1.3.

(b) The Project Sponsor for a New Demand Capacity Resource must indicate in the New Demand Capacity Resource Qualification Package if an offer from the New Demand Capacity Resource may be rationed. A Project Sponsor may specify a single MW quantity to which offers may be rationed. Without such indication, offers will only be accepted or rejected in whole. This rationing election shall apply for the entire Forward Capacity Auction.

III.13.1.4.1.1.2.9. Load-Side Interests.

If the Project Sponsor seeks to demonstrate one of the qualifying circumstances described in Section III.A.21.1.3 with regard to its New Demand Capacity Resource, the Project Sponsor must provide the Load-Side Relationship Certification in the New Demand Capacity Resource Qualification Package.

III.13.1.4.1.1.3. Interconnection Review Analysis for Active Demand Capacity Resources.

For each New Demand Capacity Resource that is an Active Demand Capacity Resource, the ISO shall perform an analysis based on the information provided in the New Demand Capacity Resource Show of Interest Form to determine the amount of capacity that the resource could provide by the start of the associated Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that because of deliverability impacts such a New Demand Capacity Resource that is otherwise accepted for participation in the Forward Capacity Auction or interim reconfiguration auction process in accordance with the other provisions and requirements of this Section III.13.1 cannot deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then that New Demand Capacity Resource will not be accepted for participation in the Forward Capacity Auction, or the interim reconfiguration auction qualification process for that resource shall be terminated and the ISO will notify the Project Sponsor of such termination.

III.13.1.4.1.1.4. Consistency of the New Demand Capacity Resource Qualification Package and New Demand Capacity Resource Show of Interest Form.

The ISO shall review the Project Sponsor's New Demand Capacity Resource Qualification Package for consistency with its New Demand Capacity Resource Show of Interest Form. The New Demand Capacity Resource Qualification Package may not contain material changes relative to the New Demand Capacity Resource Show of Interest Form. A material change may include, but is not limited to the following: (i) a change in the designation of the Demand Capacity Resource type; (ii) a change in the Project Sponsor, subject to review by the ISO of the capability and experience of the new Project Sponsor; (iii) a change in the Load Zone within which the project is located, and a change in the Dispatch Zone within which the Active Demand Capacity Resource is located; (iv) a change in the total summer or winter demand reduction value of the project by more than 30 percent; (v) a change in the general type of measure being implemented (e.g., Energy Efficiency, Load Management, Distributed Generation); or (vi) a misrepresentation of the interconnection status of a Distributed Generation project.

III.13.1.4.1.1.5. Evaluation of New Demand Capacity Resource Qualification Materials.

The ISO shall review the information submitted by New Demand Capacity Resources and shall determine whether the information submitted complies with the requirements set forth in this Section III.13.1.4 and whether, based on the information provided, the Demand Capacity Resource is accepted for participation in the Forward Capacity Auction. In making these determinations, the ISO may consider, but is not limited to consideration of, the following:

- (a) whether the information submitted by New Demand Capacity Resources is accurate and contains all of the elements required by this Section III.13.1.4;
- (b) whether the critical path schedule submitted by New Demand Capacity Resources includes all necessary elements and is sufficiently developed;
- (c) whether the milestones in the critical path schedule submitted by New Demand Capacity Resources are reasonable and likely to be met;
- (d) whether, in the case of a resource previously counted as a capacity resource, the requirements for treatment as a New Demand Capacity Resource are satisfied; and

(e) whether, in the case of a New Demand Capacity Resource that is an On-Peak Demand Resource or Seasonal Peak Demand Resource, the Measurement and Verification Plan complies with the ISO's measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.1.1.6. Qualification Determination Notification for New Demand Capacity Resources.

For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the ISO shall send notification as required under this Section III.13.1.4.1.1.6 to Project Sponsors or Market Participants, as applicable, for each New Demand Capacity Resource no later than October 12, 2023. No later than 127 days prior to the relevant Forward Capacity Auction, the ISO shall send notification to Project Sponsors for each New Demand Capacity Resource indicating whether the New Demand Capacity Resource has been accepted for participation in the Forward Capacity Auction.

(a) For a New Demand Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will specify the Demand Capacity Resource type and the Demand Capacity Resource's summer and winter Qualified Capacity, which shall be the ISO-determined summer and winter demand reduction value increased by average avoided peak transmission and distribution losses (that is, eight percent).

(b) For a New Demand Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will provide the ISO's determination as to whether the New Demand Capacity Resource satisfies any of the conditions described in Section III.A.21.1 and the basis for such determination.

(c) For a New Demand Capacity Resource accepted for participation in the Forward Capacity Auction and subject to buyer-side market power review pursuant to Section III.A.21.2, the notification will provide the Internal Market Monitor's determinations regarding whether the New Demand Capacity Resource's requested lowest offer price, submitted pursuant to Section III.13.1.4.1.1.2.8(a), must be mitigated, as described in Section III.A.21.2.3. The ISO shall not disclose to the Project Sponsor any information regarding the potential impact of any offer from the Project Sponsor on Capacity Clearing Prices.

(d) For a New Demand Capacity Resource not accepted for participation in the Forward Capacity Auction, the notification will provide an explanation as to why the resource did not meet the requirements set forth in this Section III.13.1.4 and was not accepted.

III.13.1.4.2. Definition of Existing Demand Capacity Resources.

Demand Capacity Resources that previously have been in service and registered with the ISO, and which are not otherwise New Demand Capacity Resources, shall be Existing Demand Capacity Resources.

Existing Demand Capacity Resources shall include and are limited to Demand Capacity Resources that have been in service and registered with the ISO to fulfill a Capacity Supply Obligation created by clearing in a past Forward Capacity Auction before the Existing Capacity Qualification Deadline of the applicable Forward Capacity Auction. Except as specified in this Section III.13.1.4, Existing Demand Capacity Resources shall be subject to the same qualification process as Existing Generating Capacity Resources, as described in Section III.13.1.2.3. Existing Demand Capacity Resources shall be subject to Section III.13.1.2.2.5.2. An On-Peak Demand Resource or Seasonal Peak Demand Resource may not include in its summer or winter demand reduction value an Energy Efficiency measure whose Measure Life will expire before the beginning of the applicable season of the associated Capacity Commitment Period.

III.13.1.4.2.A Qualified Capacity for Existing Demand Capacity Resources.

(a) For Existing Demand Capacity Resources composed of Energy Efficiency measures, the summer (or winter, as applicable) Qualified Capacity shall equal the lesser of: (i) the sum of the summer (or winter, as applicable) demand reduction values of the installed Energy Efficiency measures as of the Existing Capacity Qualification Deadline (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to start of the applicable season of the relevant Capacity Commitment Period, and increased by average avoided peak transmission and distribution losses) and any summer (or winter, as applicable) capacity that has cleared in a Forward Capacity Auction and has not yet achieved FCM Commercial Operation (provided that such capacity is being monitored by the ISO pursuant to the provisions of Section III.13.3, is expected to achieve all its critical path schedule milestones prior to the start of the applicable season of the relevant Capacity Commitment Period, and for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy) and (ii) the amount of summer (or winter, as applicable) capacity that cleared in a Forward Capacity Auction as a New Demand Capacity Resource.

(b) For Existing Demand Capacity Resources other than those composed of Energy Efficiency measures, the summer and winter Qualified Capacity shall equal the summer and winter demand reduction value, respectively, increased by average avoided peak transmission and distribution losses.

III.13.1.4.2.1. Qualified Capacity Notification for Existing Demand Capacity Resources.

(a) For each Existing Demand Capacity Resource, the ISO will notify the Resource's Lead Market Participant no later than 15 Business Days before the Existing Capacity Retirement Deadline of: the Demand Capacity Resource type; summer and winter Qualified Capacity; the Load Zone in which the Demand Capacity Resource is located; and, for Active Demand Capacity Resources, the Dispatch Zone in which the resource is located.

(b) If the Lead Market Participant believes that the ISO's assessment of the Qualified Capacity is inaccurate, the Market Participant must notify the ISO within five Business Days of receipt of the Qualified Capacity notification.

(c) If a Market Participant with an Existing On-Peak Demand Resource or Existing Seasonal Peak Demand Resource wishes to change its Demand Capacity Resource type, the Market Participant must submit an Updated Measurement and Verification Plan to reflect the change in its resource type. Updated Measurement and Verification Plans must be received by the ISO no later than five Business Days after receipt of the Qualified Capacity notification. Designation of the Demand Capacity Resource type may not be changed during the Capacity Commitment Period.

(d) A Market Participant with an Existing On-Peak Demand Resource or Existing Seasonal Peak Demand Resource may provide an Updated Measurement and Verification Plan as described in Section III.13.1.4.3.1.2 that complies with the ISO's measurement and verification requirements pursuant to Section III.13.1.4.3 and the ISO New England Manuals. Updated Measurement and Verification Plans must be received by the ISO no later than five Business Days after receipt of the Qualified Capacity notification.

(e) If an Existing Demand Capacity Resource is not submitting a Static De-List Bid, Permanent De-List Bid, or Retirement De-List Bid for the Forward Capacity Auction, then no further submissions or actions for that resource are necessary, and the resource shall participate in the Forward Capacity Auction as described in Section III.13.2.3.2(c) with Qualified Capacity as indicated in the ISO's notification.

III.13.1.4.2.2. Existing Demand Capacity Resource De-List Bids.

An Existing Demand Capacity Resource may submit a Permanent De-List Bid or Retirement De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.5 no later than the Existing Capacity Retirement Deadline or a Static De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.1 no later than the Existing Capacity Qualification Deadline, provided, however, that no de-list bid shall be used as a mechanism to inappropriately qualify Assets associated with Existing Demand Capacity Resources as New Demand Capacity Resources.

III.13.1.4.3. Measurement and Verification Applicable to On-Peak Demand Resources and Seasonal Peak Demand Resources.

To demonstrate the demand reduction value of an On-Peak Demand Resource or Seasonal Peak Demand Resource, the Project Sponsor or Market Participant of such a resource participating in the Forward Capacity Auction, Capacity Supply Obligation Bilaterals, or reconfiguration auctions shall submit to the ISO the Measurement and Verification Documents in accordance with this Section III.13.1.4.3 and the ISO New England Manuals. The ISO shall review such Measurement and Verification Documents to determine whether they are consistent with the measurement and verification requirements set forth in this Section III.13.1.4.3 and the ISO New England Manuals.

III.13.1.4.3.1. Measurement and Verification Documents.

Measurement and Verification Documents must demonstrate both availability and performance of an On-Peak Demand Resource or Seasonal Peak Demand Resource in reducing demand coincident with Demand Resource On-Peak Hours or Demand Resource Seasonal Peak Hours such that the reported monthly demand reduction value shall achieve at least a ten percent relative precision and an eighty percent confidence interval as described and applied in the ISO New England Manuals and ISO New England Operating Procedures. The Measurement and Verification Documents shall serve as the basis for the claimed demand reduction value of an On-Peak Demand Resource or Seasonal Peak Demand Resource. The Measurement and Verification Documents shall document the measurement and verification performed to verify the achieved demand reduction value of the On-Peak Demand Resource or Seasonal Peak Demand Resource. The Measurement and Verification Documents shall contain a projection of the On-Peak Demand Resource's or Seasonal Peak Demand Resource's demand reduction value for each month of the Capacity Commitment Period and over the expected Measure Lives associated with the Demand Capacity Resources. An On-Peak Demand Resource's or Seasonal Peak Demand Resource's Measurement and Verification Documents must describe the methodology used to calculate electrical energy load reduction or output during Demand Resource On-Peak Hours, or Demand Resource Seasonal

Peak Hours. If an On-Peak Demand Resource or Seasonal Peak Demand Resource includes Distributed Generation, the Measurement and Verification Documents must describe the individual metering or metering protocol used to monitor and verify the output of the Distributed Generation, consistent with the measurement and verification requirements set forth in Market Rule 1 and the ISO New England Manuals.

The Measurement and Verification Documents shall include a Measurement and Verification Plan submitted in the Forward Capacity Auction Qualification, as described in Section III.13.1.4.3 and a monthly Measurement and Verification Summary Report during the Capacity Commitment Period. The monthly Measurement and Verification Summary Reports shall reference the measurement and verification protocols and performance data documented in the Measurement and Verification Plan or the Measurement and Verification Reference Report(s). Such monthly Measurement and Verification Summary Reports will document the Project Sponsor's total demand reduction value from eligible pre-existing measures and new measures, and the Project Sponsor's total demand reduction value from both eligible pre-existing measures and new measures, for all measures it had in operation as of the end of the previous month. The monthly Measurement and Verification Summary Reports shall be based on Measurement and Verification Documents determined in accordance with Market Rule 1 and the ISO New England Manuals, and shall be the basis for monthly settlement with Project Sponsors. All Measurement and Verification Documents shall conform to the ISO's specifications with respect to content, format and delivery methodology, and shall be submitted in accordance with the timelines and deadlines set forth in Market Rule 1 and the ISO New England Manuals.

III.13.1.4.3.1.1. Optional Measurement and Verification Reference Reports.

At the option of the Project Sponsor, the Measurement and Verification Documents for an On-Peak Demand Resource or a Seasonal Peak Demand Resource may also include one or more Measurement and Verification Reference Report(s) submitted during the Capacity Commitment Period subject to the schedule in the Measurement and Verification Plan and consistent with the schedule and reporting standards set forth in the ISO New England Manuals. Measurement and Verification Reference Reports shall update the prospective demand reduction value of the On-Peak Demand Resource or Seasonal Peak Demand Resource based on measurement and verification studies performed during the Capacity Commitment Period.

III.13.1.4.3.1.2. Updated Measurement and Verification Documents.

At the option of the Project Sponsor, an Updated Measurement and Verification Plan for an On-Peak Demand Resource or a Seasonal Peak Demand Resource may be submitted during a subsequent Forward Capacity Auction qualification process prior to the beginning of the Capacity Commitment Period of the Demand Capacity Resource project. The Updated Measurement and Verification Plan may include updated project specifications, measurement and verification protocols, and performance data. However, the Updated Measurement and Verification Plan shall not modify for the duration of the Capacity Commitment Period the total claimed demand reduction value or the Demand Capacity Resource type from the applicable Forward Capacity Auction in which the Project Sponsor's offer cleared. Additionally, the Updated Measurement and Verification Plan shall provide measurement and verification consistent with the requirements specified in the ISO New England Manuals, and shall be comparable to the quality of the original Measurement and Verification Plan accepted during the Forward Capacity Auction qualification process in which the Demand Capacity Resource project cleared the Forward Capacity Auction.

III.13.1.4.3.1.3. Annual Certification of Accuracy of Measurement and Verification Documents.

Project Sponsors for On-Peak Demand Resources and Seasonal Peak Demand Resources shall submit no less frequently than once per year, a statement certifying that the Demand Capacity Resource projects for which the Project Sponsor is requesting compensation continue to perform in accordance with the submitted Measurement and Verification Documents reviewed by the ISO. One such statement must be received by the ISO no later than 10 Business Days before the Existing Capacity Qualification Deadline.

III.13.1.4.3.1.4. Record Requirement of Retail Customers Served.

For On-Peak Demand Resources and Seasonal Peak Demand Resources targeting customer facilities with greater than or equal to 10 kW of demand reduction value per facility, Project Sponsors shall maintain records of retail customers served including, at a minimum, the retail customer's address, the customer's utility distribution company, utility distribution company account identifier, measures installed, and corresponding monthly demand reduction values. For On-Peak Demand Resources and Seasonal Peak Demand Resources targeting customer facilities with under 10 kW of demand reduction value per facility, the Project Sponsor shall maintain records as described above for customer facilities with greater than or equal to 10 kW of demand reduction value per facility, or shall maintain records of aggregated demand reduction value and measures installed by Load Zone and meter domain. Project Sponsors shall maintain such records until the end of the Measure Life, or until the Demand Capacity Resource is permanently de-

listed from the Forward Capacity Market, and shall submit such records to the ISO upon request in a readable electronic format.

III.13.1.4.3.2. ISO Review of Measurement and Verification Documents.

The ISO shall review the Measurement and Verification Documents and complete such review and identify any necessary modifications in accordance with the Forward Capacity Auction qualification process as described in Section III.13.1 and pursuant to the ISO New England Manuals. In its review of the Measurement and Verification Documents, the ISO may consult with the Project Sponsor or Lead Market Participant to seek clarification, to gather additional necessary information, or to address questions or concerns arising from the materials submitted. At the discretion of the ISO, the ISO may consider revisions or additions to the Measurement and Verification Documents resulting from such consultation; provided, however, that in no case shall the ISO consider revisions or additions to the Measurement and Verification Documents if the ISO believes that such consideration cannot be properly accomplished within the time periods established for the qualification process.

III.13.1.4A. Distributed Energy Capacity Resources.

To participate in a Forward Capacity Auction as a Distributed Energy Capacity Resource, a resource must meet the requirements of this Section III.13.1.4A. Each Distributed Energy Capacity Resource shall be a minimum of 100 kW. A facility connected at a point of interconnection that is 5 MW or greater cannot be a Distributed Energy Capacity Resource. A Distributed Energy Capacity Resource comprises one or more Distributed Energy Resource Aggregations located in a single Capacity Zone and a single DRR Aggregation Zone, except that (a) a Settlement Only Distributed Energy Resource Aggregation may not participate in a Distributed Energy Capacity Resource with any other type of Distributed Energy Resource Aggregation, and (b) an end-use customer facility participating as part of On-Peak Demand Resource or Seasonal Peak Demand Resource with measures other than Energy Efficiency may not participate in a Distributed Energy Capacity Resource. Distributed Energy Capacity Resources are not permitted to submit import or export bids or Administrative Export De-List Bids.

III.13.1.4A.1. Definition of New Distributed Energy Capacity Resources.

A New Distributed Energy Capacity Resource is a Distributed Energy Capacity Resource that has not cleared in a previous Forward Capacity Auction.

III.13.1.4A.1.1. Qualification Process for New Distributed Energy Capacity Resources.

For Forward Capacity Auctions a New Distributed Energy Capacity Resource shall have a summer Qualified Capacity and winter Qualified Capacity based on the resource's estimated net injection capability and, as applicable, the resource's estimated demand reduction value as submitted and reviewed pursuant to this Section III.13.1.4A. The FCA Qualified Capacity for a New Distributed Energy Capacity Resource (other than an Intermittent Power Resource) shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity.

For a resource to qualify as a New Distributed Energy Capacity Resource, the resource's Project Sponsor must make two separate submissions to the ISO: First, the Project Sponsor must submit estimated net energy injection values and, as applicable, estimated demand reduction values and supporting information in the New Distributed Energy Capacity Resource Show of Interest Form as described in Section III.13.1.4A.1.1.1. Second, the Project Sponsor must submit a New Distributed Energy Capacity Resource Qualification Package as described in Section III.13.1.4A.1.1.2.

III.13.1.4A.1.1.1. New Distributed Energy Capacity Resource Show of Interest Form.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource, the Project Sponsor must submit to the ISO a New Distributed Energy Capacity Resource Show of Interest Form as described in this Section III.13.1.4A.1.1.1 during the New Capacity Show of Interest Submission Window, as described in Section III.13.1.10. The ISO may waive the submission of any information not required for evaluation of a project.

(a) General Requirements. A completed New Distributed Energy Capacity Resource Show of Interest Form shall include, but is not limited to, the following information: project name; the DRR Aggregation Zone, Load Zone and Dispatch Zone within which the resource will be located; a description of the project and its expected configuration, including the types of generation and demand response comprising the project; a description of the customer classes and end-uses served by the project; the resource's expected Commercial Operation date; estimated summer and winter net injection capability values (MW) per facility; the installation date of facilities that are part of the project and already constructed, installed, or in commercial operation; ISO Market Participant status and ISO customer identification (if applicable); Project Sponsor's contact information and the ISO Customer Status; expected nameplate capacity by technology type per facility; indication of whether the project elects Intermittent Power Resource treatment (available if the project is a homogenous aggregation of intermittent technology); and the project's applicable technical and financial contacts.

For purposes of this Section III.13.1.4A:

- (i) If a facility is expected to interconnect at a point of interconnection, its net injection capability is the generation capability of the installed generation technology at the point of interconnection.
 - (ii) If a facility is expected to interconnect at a Retail Delivery Point and does not plan to participate in the aggregation as a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation, the net injection capability is the lesser of the generation less the load profile measured at the location of the end-use customer meter or the amount the facility is contractually able to inject.
- (b) Demand Response Resource. If the resource includes Demand Response Resources, the completed New Distributed Energy Capacity Resource Show of Interest Form shall include the following additional information: the estimated summer and winter demand reductions values (MW) per measure and/or per customer facility (measured at the customer meter and not including losses); the estimated total summer and winter demand reduction value of the Demand Response Resource (which must be consistent with the baseline calculation methodology in Section III.8.2); and supporting documentation (e.g., engineering estimates or documentation of verified savings from comparable projects) to substantiate the reasonableness of the estimated demand reduction values.
- (c) Net Injection of 5 MW or Greater. If the resource contains a Distributed Energy Resource Aggregation with a facility with net injection of 5 MW or greater at a Retail Delivery Point, then the completed New Distributed Energy Capacity Resource Show of Interest Form for such a resource shall include the following additional information: the Pnode and service address at which the end-use facility is located; nameplate MW and net injection capability; non-coincident peak load (MW) of the facility without generation; technology type; and the Market Participant's portion of generation requested to be included as Qualified Capacity.
- (d) Net Injection Greater or Equal to 1 MW and less than 5 MW. If the resource contains a Distributed Energy Resource Aggregation with a facility that has net injection capability at the point of interconnection of 1 MW or greater and less than 5 MW, then the completed New Distributed Energy Capacity Resource Show of Interest Form for such a facility shall include the following additional information: distribution bus; technology type; nameplate MW; one-line diagram of the plant and station facilities, including any known transmission facilities; if the facility is intermittent, the requested contribution of Qualified Capacity and supporting site-specific data; if an interconnection agreement is required under state requirements, the date when the interconnection request was submitted and the status of that interconnection request.

III.13.1.4A.1.1.2. New Distributed Energy Capacity Resource Qualification Package.

For each resource that a Project Sponsor seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource, the Project Sponsor must submit a New Distributed Energy Capacity Resource Qualification Package no later than the New Capacity Qualification Deadline. The New Distributed Energy Capacity Resource Qualification Package shall conform to the requirements of this Section III.13.1.4A.1.1.2. The ISO may waive the submission of any information not required for evaluation of a project.

III.13.1.4A.1.1.2.1. Source of Funding.

The Project Sponsor must provide in the New Distributed Energy Capacity Resource Qualification Package the source of funding, which includes, but is not limited to, the following: the source(s) of public benefits funding or private financing, or a funding plan supplemented by information on how previous projects were funded; and a completed ISO credit application.

III.13.1.4A.1.1.2.2. Customer Acquisition Plan.

(a) A Project Sponsor with more than a single customer must include in the New Distributed Energy Capacity Resource Qualification Package a description of its plan to acquire customers that includes, but is not limited to, the following information: a description of proposed customer market; the estimated size of target market and supporting documentation; a marketing plan with supporting documentation describing the manner in which customers will be recruited; and evidence supporting the viability of the marketing plan.

(b) A Project Sponsor for a New Distributed Energy Capacity Resource that includes one or more end-use customer facilities with behind-the-meter generation must include in the New Demand Capacity Resource Qualification Package information demonstrating that each facility's net injection capability will be less than 5 MW or less than or equal to the facility's Maximum Facility Load.

(c) The requirements of this Section III.13.1.4A.1.1.2.2 shall not apply for facilities with a net injection capability at a point of interconnection.

III.13.1.4A.1.1.2.3. Critical Path Schedule for a Distributed Energy Capacity Resource Having a Facility with a Demand Reduction Value or Net Injection Capability of at Least 5 MW at a Single Retail Delivery Point.

The Project Sponsor of a Distributed Energy Capacity Resource with a customer facility having a demand reduction value of at least 5 MW at a single Retail Delivery Point or having behind-the-meter generation with net injection capability greater than 5 MW at a single Retail Delivery Point, shall provide in the New Distributed Energy Capacity Resource Qualification Package a critical path schedule as set forth in Section III.13.1.1.2.2.2.

III.13.1.4A.1.1.2.4. Critical Path Schedule for a Distributed Energy Capacity Resource with All Facilities Having a Demand Reduction Value or Net Injection Capability of Less Than 5 MW at a Single Retail Delivery Point or Point of Interconnection.

The Project Sponsor of a Distributed Energy Capacity Resource with all facilities having a demand reduction value or net injection capability of less than 5 MW at a single Retail Delivery Point or point of interconnection shall provide in the New Distributed Energy Capacity Resource Qualification Package a critical path schedule comprised of a delivery schedule of the share of total offered demand reduction value and net injection capability achieved as of target dates, as follows: (i) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 1 occurring five weeks prior to the first annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; (ii) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 2 occurring five weeks prior to the second annual Forward Capacity Auction after the Forward Capacity Auction in which the Project Sponsor's capacity award was made; and (iii) target date 3 which is the date by which the Project Sponsor expects to be ready to demonstrate to the ISO that the Distributed Energy Capacity Resource described in the Project Sponsor's New Distributed Energy Capacity Resource Qualification Package has achieved its full demand reduction value and net injection capability, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100% of total demand reduction value and net injection capability must be complete.

III.13.1.4A.1.1.2.6. Offer Information from New Distributed Energy Capacity Resources.

(a) For a New Distributed Energy Capacity Resource that does not satisfy any of the conditions described in Sections III.A.21.1.1 or III.A.21.1.2 based on the information submitted at the time of the New Distributed Energy Capacity Resource Qualification Package, and for which the Project Sponsor

does not provide a Load-Side Relationship Certification described in Section III.A.21.1.3, the Project Sponsor must include in the New Distributed Energy Capacity Resource Qualification Package the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and sufficient documentation and information for a buyer-sider market power review pursuant to Section III.A.21.2. Such documentation and information includes all financial estimates, projected revenues, and cost projections for the project, including the project's pro-forma financing support data and anticipated out-of-market revenues (as defined in Section III.A.21.3(b)(i)). For a New Distributed Energy Capacity Resource that has achieved commercial operation prior to the New Capacity Qualification Deadline, such documentation should also include all financial data of actual incurred capital costs, actual operating costs, and actual revenues since the date of commercial operation.

A Project Sponsor that submits a Load-Side Relationship Certification as part of the New Distributed Energy Capacity Resource Qualification Package pursuant to Section III.13.1.4A.1.1.2.7 must be prepared to provide both (1) the lowest price at which the resource requests to offer capacity in the Forward Capacity Auction and (2) the documentation and information described in this subsection (a), in the event that the ISO determines that the Load-Side Relationship Certification does not meet the requirements of Section III.A.21.1.3.

(b) The Project Sponsor for a New Distributed Energy Capacity Resource must indicate in the New Distributed Energy Capacity Resource Qualification Package if an offer from the New Distributed Energy Capacity Resource may be rationed. A Project Sponsor may specify a single MW quantity to which offers may be rationed. Without such indication, offers will only be accepted or rejected in whole. This rationing election shall apply for the entire Forward Capacity Auction.

III.13.1.4A.1.1.2.7. Load-Side Interests.

If the Project Sponsor seeks to demonstrate one of the qualifying circumstances described in Section III.A.21.1.3 with regard to its New Distributed Energy Capacity Resource, the Project Sponsor must provide the Load-Side Relationship Certification in the New Distributed Energy Capacity Resource Qualification Package.

III.13.1.4A.1.1.3. Interconnection Review Analysis for Distributed Energy Capacity Resources.

For each New Distributed Energy Capacity Resource, the ISO shall perform an analysis based on the information provided in the New Distributed Energy Capacity Resource Show of Interest Form to

determine the amount of capacity that the resource could provide by the start of the associated Capacity Commitment Period. This analysis shall be performed consistent with the criteria and conditions described in ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that because of deliverability impacts, such a New Distributed Energy Capacity Resource that is otherwise accepted for participation in the Forward Capacity Auction in accordance with the other provisions and requirements of this Section III.13.1 cannot deliver any of the capacity that it would otherwise be able to provide (in the absence of the other relevant Existing Capacity Resources), then that New Distributed Energy Capacity Resource will not be accepted for participation in the Forward Capacity Auction.

III.13.1.4A.1.1.4. Consistency of the New Distributed Energy Capacity Resource Qualification Package and New Distributed Energy Capacity Resource Show of Interest Form.

The ISO shall review the Project Sponsor's New Distributed Energy Capacity Resource Qualification Package for consistency with its New Distributed Energy Capacity Resource Show of Interest Form. The New Distributed Energy Capacity Resource Qualification Package may not contain material changes relative to the New Distributed Energy Capacity Resource Show of Interest Form. If a material change exists between the New Distributed Energy Capacity Resource Qualification Package and the New Distributed Energy Capacity Resource Show of Interest Form, the New Distributed Energy Capacity Resource Show of Interest Form will be withdrawn by the ISO. A material change includes, but is not limited to the following: (i) a misrepresentation or change of the interconnection status of a facility within the New Distributed Energy Capacity Resource; (ii) the addition of facilities at a point of interconnection; (iii) a change in the Project Sponsor, subject to review by the ISO of the capability and experience of the new Project Sponsor; (iv) a change in DRR Aggregation Zone within which the project is located; (v) for any component of the New Distributed Energy Capacity Resource that is a Demand Response Resource, an aggregate change in the total summer or winter demand reduction values of all such Demand Response Resources by more than 30 percent; (vi) for any component of the New Distributed Energy Capacity Resource with net injection capability less than 5 MW at a Retail Delivery Point or less than 1 MW at a point of interconnection, a change in the total summer or winter net injection capability of the resource by more than 30 percent; (vii) for non-demand response components of a New Distributed Energy Capacity Resource, the introduction of a new technology type; (viii) for demand response components of a the New Distributed Energy Capacity Resource, a change to the technology type providing demand reduction for the New Distributed Energy Capacity Resource; (ix) for a facility that interconnects at a point of interconnection, any increase in size of the facility; (x) for any non-demand response components

of any New Distributed Energy Capacity Resource that interconnects at a point of interconnection, a decrease in size greater than 60 percent for any facility with greater than or equal to 1 MW connected at the same point of interconnection.

III.13.1.4A.1.1.5. Evaluation of New Distributed Energy Capacity Resource Qualification Materials.

The ISO shall review the information submitted by New Distributed Energy Capacity Resources and shall determine whether the information submitted complies with the requirements set forth in this Section III.13.1.4A and whether, based on the information provided, the Distributed Energy Capacity Resource is accepted for participation in the Forward Capacity Auction. In making these determinations, the ISO may consider, but is not limited to consideration of, the following:

- (a) whether the information submitted by New Distributed Energy Capacity Resources is accurate and contains all of the elements required by this Section III.13.1.4A;
- (b) whether the critical path schedule submitted by New Distributed Energy Capacity Resources includes all necessary elements and is sufficiently developed;
- (c) whether the milestones in the critical path schedule submitted by New Distributed Energy Capacity Resources are reasonable and likely to be met;
- (d) whether, in the case of a resource previously counted as a capacity resource, the requirements for treatment as a New Distributed Energy Capacity Resource are satisfied; and
- (e) whether the customer acquisition plan and source of funding plan are sufficiently detailed and reasonably achievable.

III.13.1.4A.1.1.6. New Distributed Energy Capacity Resources that are Intermittent Power Resources.

The summer Qualified Capacity and winter Qualified Capacity of a New Distributed Energy Capacity Resource that is an Intermittent Power Resource shall be the summer Qualified Capacity and winter Qualified Capacity claimed by the Project Sponsor pursuant to Section III.13.1.4A.2.A.1, as confirmed by the ISO pursuant to Section III.13.1.1.2.4(e). The FCA Qualified Capacity for such a resource shall be equal to the resource's summer Qualified Capacity.

III.13.1.4A.1.1.7. Qualification Determination Notification for New Distributed Energy Capacity Resources.

For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the ISO shall send notification as required under this Section III.13.1.4A.1.1.7 to Project Sponsors or Market Participants, as applicable, for each New Distributed Energy Capacity Resource no later than October 12, 2023. No later than 127 days prior to the relevant Forward Capacity Auction, the ISO shall send notification to Project Sponsors for each New Distributed Energy Capacity Resource indicating whether the New Distributed Energy Capacity Resource has been accepted for participation in the Forward Capacity Auction.

- (a) For a New Distributed Energy Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will specify the Distributed Energy Capacity Resource's summer and winter Qualified Capacity, which shall be the ISO-determined summer and winter net injection capability and demand reduction value, which in the latter case shall be increased by average avoided peak transmission and distribution losses (that is, eight percent).
- (b) For a New Distributed Energy Capacity Resource accepted for participation in the Forward Capacity Auction, the notification will provide the ISO's determination as to whether the New Distributed Energy Capacity Resource satisfies any of the conditions described in Section III.A.21.1 and the basis for such determination.
- (c) For a New Distributed Energy Capacity Resource accepted for participation in the Forward Capacity Auction and subject to buyer-side market power review pursuant to Section III.A.21.2, the notification will provide the Internal Market Monitor's determinations regarding whether the New Distributed Energy Capacity Resource's requested lowest offer price, submitted pursuant to Section III.13.1.4A.1.1.2.6(a), must be mitigated, as described in Section III.A.21.2.3. The ISO shall not disclose to the Project Sponsor any information regarding the potential impact of any offer from the Project Sponsor on Capacity Clearing Prices.
- (d) For a New Distributed Energy Capacity Resource not accepted for participation in the Forward Capacity Auction, the notification will provide an explanation as to why the resource did not meet the requirements set forth in this Section III.13.1.4A and was not accepted.

III.13.1.4A.2. Definition of Existing Distributed Energy Capacity Resources.

Existing Distributed Energy Capacity Resources shall include Distributed Energy Capacity Resources that have cleared in a previous Forward Capacity Auction. Except as specified in this Section III.13.1.4A, Existing Distributed Energy Capacity Resources shall be subject to the same qualification process as Existing Generating Capacity Resources, as described in Section III.13.1.2.3. Existing Distributed Energy Capacity Resources shall be subject to Section III.13.1.2.2.5.2. Any Distributed Energy Resource Aggregation that is part of an Existing Capacity Resource shall count only as existing Qualified Capacity, and shall not count toward the Qualified Capacity of a New Distributed Energy Capacity Resource. Any Existing Generating Capacity Resource or Existing Demand Capacity Resource that could qualify as an Existing Distributed Energy Capacity Resource may convert to an Existing Distributed Energy Capacity Resource.

III.13.1.4A.2.A Qualified Capacity for Existing Distributed Energy Capacity Resources.

III.13.1.4A.2.A.1 Existing Distributed Energy Capacity Resources Other Than Intermittent Power Resources

III.13.1.4A.2.A.1.1. Summer Qualified Capacity

The summer Qualified Capacity of an Existing Distributed Energy Capacity Resource that is not an Intermittent Power Resource shall equal the median of the resource's summer Seasonal Audit Value from the five most recent years, as of the fifth Business Day in October of each year, with only positive summer value included in the median calculation. Where an Existing Distributed Energy Capacity Resource has fewer than five summer Seasonal Audit Values, then the summer Qualified Capacity for that Existing Distributed Energy Capacity Resource shall be equal to the median of all of that resource's previous summer Seasonal Audit Values, as of the fifth Business Day in October of each year, with only positive summer values included in the median calculation. If for an Existing Distributed Energy Capacity Resource there are no previous Seasonal Audit Values because the resource had not yet achieved FCM Commercial Operation, then the Existing Distributed Energy Capacity Resource's summer Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Distributed Energy Capacity Resource in previous Forward Capacity Auctions.

III.13.1.4A.2.A.1.2 Winter Qualified Capacity

The winter Qualified Capacity of an Existing Distributed Energy Capacity Resource that is not an Intermittent Power Resource shall equal the median of the resource's winter Seasonal Audit Value from the five most recent years, as of the fifth Business Day in June of each year, with only positive winter value included in the median calculation. Where an Existing Distributed Energy Capacity Resource has

fewer than five winter Seasonal Audit Values, then the winter Qualified Capacity for that Existing Distributed Energy Capacity Resource shall be equal to the median of all of that resource's previous winter Seasonal Audit Values, as of the fifth Business Day in June of each year, with only positive winter values included in the median calculation. If for an Existing Distributed Energy Capacity Resource there are no previous Seasonal Audit Values because the resource had not yet achieved FCM Commercial Operation, then the Existing Distributed Energy Capacity Resource's winter Qualified Capacity shall be equal to the amount of capacity clearing from the resource as a New Distributed Energy Capacity Resource in previous Forward Capacity Auctions.

III.13.1.4A.2.A.2 Existing Distributed Energy Capacity Resources That Are Intermittent Power Resources

Existing Distributed Energy Capacity Resources that are Intermittent Power Resources shall follow the same rules for Existing Generating Capacity Resources that are Intermittent Power Resources in section III.13.1.2.2.2. The Existing Qualified Capacity may not be greater than the amount of summer (or winter, as applicable) capacity that cleared in a Forward Capacity Auction as a New Distributed Energy Capacity Resource.

III.13.1.4A.2.A.3 Qualified Capacity Adjustment for Partially New and Partially Existing Resources

Rules related to a Distributed Energy Capacity Resource's Qualified Capacity Adjustment for Partially New and Partially Existing Resources can be found in Section III.13.1.2.2.3.

III.13.1.4A.2.A.4 Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline.

Rules related to a Distributed Energy Capacity Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline can be found in Section III.13.1.2.2.4.

III.13.1.4A.2.1. Qualified Capacity Notification for Existing Distributed Energy Capacity Resources.

(a) For each Existing Distributed Energy Capacity Resource, no later than 15 Business Days before the Existing Capacity Retirement Deadline, the ISO will notify the resource's Lead Market Participant of the resource's summer Qualified Capacity and winter Qualified Capacity and the DRR Aggregation Zone in which the Existing Distributed Energy Capacity Resource is located.

(b) If the Lead Market Participant believes that the ISO has made a mathematical error in calculating the summer Qualified Capacity or winter Qualified Capacity for an Existing Distributed Energy Capacity Resource, then the Lead Market Participant must notify the ISO within five Business Days of receipt of the Qualified Capacity notification.

(c) The ISO shall notify the Lead Market Participant of the outcome of any such challenge no later than five Business Days before the Existing Capacity Retirement Deadline. If an Existing Distributed Energy Capacity Resource does not submit a Static De-List Bid, a Permanent De-List Bid, or a Retirement De-List Bid in the Forward Capacity Auction qualification process, then the resource shall be entered into the Forward Capacity Auction as described in Section III.13.2.3.2(c).

III.13.1.4A.2.2. Existing Distributed Energy Capacity Resource De-List Bids.

An Existing Distributed Energy Capacity Resource may submit a Permanent De-List Bid or Retirement De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.5 no later than the Existing Capacity Retirement Deadline or a Static De-List Bid pursuant to the provisions of Section III.13.1.2.3.1.1 no later than the Existing Capacity Qualification Deadline, provided, however, that no de-list bid shall be used as a mechanism to inappropriately qualify Distributed Energy Resource Aggregations associated with Existing Distributed Energy Capacity Resources as New Distributed Energy Capacity Resources.

III.13.1.5. Offers Composed of Separate Resources.

Separate resources seeking to participate together in a Forward Capacity Auction shall submit a composite offer form no later than 10 Business Days after the date on which the ISO provides qualification determination notifications, as described in Section III.13.1.1.2.8, Section III.13.1.2.4, and Section III.13.1.4.1.1.6. Offers composed of separate resources may not be modified or withdrawn after the deadline for submission of the composite offer form. Separate resources may together participate in a Forward Capacity Auction as a single resource if the following conditions are met:

(a) In all months of the summer period (June through September where the summer resource is not a Demand Capacity Resource, April through November where the summer resource is a Demand Capacity Resource) of the Capacity Commitment Period, only one resource may be used to supply the amount of capacity offered during the entire summer period. In all months of the winter period (October through May where the summer resource is not a Demand Capacity Resource, December through March where the summer resource is a Demand Capacity Resource) of the Capacity Commitment Period, multiple

resources may be combined to supply the amount of capacity offered, provided that: (i) the resources together meet the amount of the offer in all months of the winter period; and (ii) to combine for a month, that month must be considered a winter month for both the summer resource and the resource combining with that summer resource in that month.

(b) Each resource that is part of an offer composed of separate resources must qualify in accordance with all of the provisions of this Section III.13.1.5 applicable to that resource type. An offer composed of separate resources participates in the Forward Capacity Auction in accordance with the resource type of the resource providing capacity in the summer period. A resource electing (pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7) to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which its New Capacity Offer clears shall not be eligible to participate in an offer composed of separate resources as the resource providing capacity in the summer period in the Forward Capacity Auction in which the resource is a New Generating Capacity Resource or New Demand Capacity Resource.

(c) The summer Qualified Capacity of an offer composed of separate resources shall be the summer Qualified Capacity of the single resource that will provide the Capacity Supply Obligation during the summer period. If the summer Qualified Capacity of an offer composed of separate resources is greater than the winter capacity for any month, then the provisions of Section III.13.1.2.2.5.2 shall apply, even where any of the resources comprising the offer composed of separate resources is an Intermittent Power Resource. If the winter capacity of the offer composed of separate resources in any month is higher than the summer Qualified Capacity, then the capacity offered from the winter resources will be reduced pro-rata to equal the summer Qualified Capacity.

(d) Offers composed of separate resources are subject to the locational restrictions specified in the following table:

	Location of Summer Resource			
	Import- Constrained Capacity Zone	Rest-of-Pool Capacity Zone	Export- Constrained Capacity Zone	Nested Export- Constrained Capacity Zone

Location of Winter Resource	Import-Constrained Capacity Zone	Eligible (within same Capacity Zone)	Eligible	Eligible	Eligible
	Rest-of-Pool Capacity Zone	Ineligible	Eligible	Eligible	Eligible
	Export-Constrained Capacity Zone	Ineligible	Ineligible	Eligible (within same Capacity Zone)	Eligible (within same Capacity Zone where nested export-constrained Capacity Zone is located)
	Nested Export-Constrained Capacity Zone	Ineligible	Ineligible	Ineligible	Eligible (within same Capacity Zone)

(e) A Renewable Technology Resource may only participate in an offer composed of separate resources if its FCA Qualified Capacity has not been prorated pursuant to Section III.13.1.1.2.10.

(f) A Distributed Energy Capacity Resource may not participate in an offer composed of separate resources.

III.13.1.5.A. Notification of FCA Qualified Capacity.

No later than five Business Days after the deadline for submission of offers composed of separate resources, the ISO shall notify the Project Sponsor or Lead Market Participant for each New Generating Capacity Resource, New Import Capacity Resource, and New Demand Capacity Resource of the resource's final FCA Qualified Capacity for the Forward Capacity Auction. Such notification will detail the resource's financial assurance requirements in accordance with Section III.13.1.9.

III.13.1.6. Self-Supplied FCA Resources.

Where a Project Sponsor elects to designate all or a portion of a New Generating Capacity Resource, an Existing Generating Capacity Resource, a New Distributed Energy Capacity Resource, or an Existing Distributed Energy Capacity Resource as a Self-Supplied FCA Resource, the Project Sponsor must make such designation in writing to the ISO no later than the date by which the Project Sponsor is required to submit the FCM Deposit and, if the Project Sponsor is not also the associated load serving entity, the Project Sponsor must at that time provide written confirmation from the load serving entity regarding the Self-Supplied FCA Resource designation. A New Import Capacity Resource or Existing Import Capacity

Resource may be designated as a Self-Supplied FCA Resource. A New Distributed Energy Capacity Resource or Existing Distributed Energy Capacity Resource may only designate its net injection capability as a Self-Supplied FCA Resource. All Self-Supplied FCA Resources shall be subject to the eligibility and locational requirements in this Section III.13.1.6. If designated as a Self-Supplied FCA Resource and otherwise accepted in the qualification process, the resource will clear in the Forward Capacity Auction as described in Section III.13.2.3.2(c) and, with the exception of demand programs for Self-Supplied FCA Resources, shall offset an equal amount of the load serving entity's Capacity Load Obligation in the Capacity Commitment Period. A load serving entity seeking to self-supply using a Demand Capacity Resource shall realize the benefit through the actual reduction in its annual system coincident peak load, shall not receive credit for a resource and, therefore, is not required to participate in the qualification process described in this Section III.13.1. All designations as a Self-Supplied FCA Resource in the Forward Capacity Auction qualification process are binding.

III.13.1.6.1. Self-Supplied FCA Resource Eligibility.

Where all or a portion of a resource is designated as a Self-Supplied FCA Resource, it shall also maintain its status as a New Generating Capacity Resource, Existing Generating Capacity Resource, New Import Capacity Resource, Existing Import Capacity Resource, New Distributed Energy Capacity Resource, or Existing Distributed Energy Capacity Resource and must satisfy the Forward Capacity Auction qualification process requirements set forth in the remainder of Section III.13.1 applicable to that resource type, in addition to the requirements of this Section III.13.1.6. Where an offer composed of separate resources is designated as a Self-Supplied FCA Resource, all of the requirements and deadlines specified in Section III.13.1.5 shall apply to that offer, in addition to the requirements of this Section III.13.1.6. The total quantity of capacity that an load serving entity designates as Self-Supplied FCA Resources may not exceed the load serving entity's projected share of the Installed Capacity Requirement during the Capacity Commitment Period which shall be calculated by determining the load serving entity's most recent percentage share of the Installed Capacity Requirement multiplied by the projected Installed Capacity Requirement for the commitment year. No resource may be designated as a Self-Supplied FCA Resource for more MW than the lesser of that resource's summer Qualified Capacity and winter Qualified Capacity.

III.13.1.6.2. Locational Requirements for Self-Supplied FCA Resources.

In order to participate in the Forward Capacity Auction as a Self-Supplied FCA Resource for a load in an import-constrained Capacity Zone, the Self-Supplied FCA Resource must be located in the same Capacity Zone as the associated load, unless the Self-Supplied FCA Resource is a pool-planned unit or other unit

with a special allocation of Capacity Transfer Rights. In order to participate in the Forward Capacity Auction as a Self-Supplied FCA Resource in an export-constrained Capacity Zone for a load outside that export-constrained Capacity Zone, the Self-Supplied FCA Resource must be a pool-planned unit or other unit with a special allocation of Capacity Transfer Rights.

III.13.1.7. Internal Market Monitor Review of Offers and Bids.

In addition to the other provisions of this Section III.13.1, the Internal Market Monitor shall have the authority to review in the qualification process each resource's summer and winter Seasonal Claimed Capability if it is significantly lower than historical values, and if the Internal Market Monitor determines that it may be an attempt to exercise physical withholding, the matter will be referred to the Commission in accordance with the protocols set forth in Appendix A to the Commission's Market Monitoring Policy Statement (111 FERC ¶ 61,267 (2005)). Where an entity submits: (i) an offer as a New Generating Capacity Resource, a New Import Capacity Resource, a New Demand Capacity Resource, or a New Distributed Energy Capacity Resource; and (ii) a Static De-List Bid, a Permanent De-List Bid, a Retirement De-List Bid, an Export Bid or an Administrative Export De-List Bid in the same Forward Capacity Auction, the Internal Market Monitor shall take appropriate steps to ensure that the resource bid to de-list, retire or export in the Forward Capacity Auction is not inappropriately replaced by that new capacity in a subsequent reconfiguration auction or Capacity Supply Obligation Bilateral. In its review of any offer or bid pursuant to this Section III.13.1.7, the Internal Market Monitor may consult with the Project Sponsor or Market Participant, as appropriate, to seek clarification, or to address questions or concerns regarding the materials submitted.

III.13.1.8. Publication of Offer and Bid Information.

- (a) Resource name, quantity and Load Zone (or interface, as applicable) in which the resource is located about each Permanent De-list Bid and Retirement De-List Bid will be posted no later than 15 days after the Forward Capacity Auction is conducted.
- (b) The quantity and Load Zone (or interface, as applicable) in which the resource is located of each Static De-List Bid will be posted no later than 15 days after the Forward Capacity Auction is conducted.
- (c) Name of submitter, quantity, and interface of Export Bids and Administrative Export Bids shall be published no later than 15 days after the Forward Capacity Auction is conducted.

- (d) Name of submitter, quantity, and interface about offers from New Import Capacity Resources shall be published no later than 15 days after the Forward Capacity Auction is conducted.
- (e) No later than three Business Days after the Existing Capacity Retirement Deadline, the ISO shall post on its website information concerning Permanent De-List Bids and Retirement De-List Bids.
- (f) The name of each Lead Market Participant submitting Static De-List Bids, Export Bids, and Administrative Export De-List Bids, as well as the number and type of such de-list bids submitted by each Lead Market Participant, shall be published no later than three Business Days after the ISO issues the qualification determination notifications described in Sections III.13.1.1.2.8, III.13.1.2.4(b), III.13.1.4.1.1.6, III.13.1.4A.1.1.7, and III.13.1.3.5.7. Authorized Persons of Authorized Commissions will be provided confidential access to full information about posted Static De-list Bids, Permanent De-List Bids, and Retirement De-List Bids upon request pursuant to Section 3.3 of the ISO New England Information Policy.
- (g) No later than five Business Days after the close of the New Capacity Show of Interest Submission Window, the ISO shall post on its website the aggregate quantity of supply offers and demand bids that have been elected to participate in the substitution auction by Capacity Zone (where the zones used are those being studied for inclusion in the associated Forward Capacity Auction pursuant to Section III.12.4).

III.13.1.9. Financial Assurance.

Except as noted in this Section III.13.1.9, all financial assurance requirements associated with Forward Capacity Auctions and annual reconfiguration auctions and other payments and charges resulting from the Forward Capacity Market shall be governed by the ISO New England Financial Assurance Policy.

III.13.1.9.1. Financial Assurance for New Generating Capacity Resources and New Demand Capacity Resources Participating in the Forward Capacity Auction.

In order to participate in any Forward Capacity Auction, New Generating Capacity Resources and New Demand Capacity Resources shall be required to meet the financial assurance requirements as described in the ISO New England Financial Assurance Policy. Timely payment of the FCM Deposit by the Project Sponsor for a New Generating Capacity Resource or New Demand Capacity Resource accepted for participation in the Forward Capacity Auction constitutes a commitment to offer the full FCA Qualified

Capacity of that New Generating Capacity Resource or New Demand Capacity Resource in the Forward Capacity Auction at the Forward Capacity Auction Starting Price. If the FCM Deposit is not received within the timeframe specified in the ISO New England Financial Assurance Policy, the New Generating Capacity Resource or New Demand Capacity Resource shall not be permitted to participate in the Forward Capacity Auction. If capacity offered by the New Generating Capacity Resource or New Demand Capacity Resource clears in the Forward Capacity Auction, financial assurance required prior to the auction pursuant to FAP shall be applied toward the resource's financial assurance obligation, as described in the ISO New England Financial Assurance Policy. If no capacity offered by that New Generating Capacity Resource or New Demand Capacity Resource clears in the Forward Capacity Auction, the financial assurance required prior to the auction pursuant to FAP will be released pursuant to the terms of the ISO New England Financial Assurance Policy.

III.13.1.9.2. Financial Assurance for New Generating Capacity Resources and New Demand Capacity Resources Clearing in a Forward Capacity Auction.

Where a New Generating Capacity Resource's offer or a New Demand Capacity Resource's offer is accepted in a Forward Capacity Auction, that resource must provide financial assurance as described in the ISO New England Financial Assurance Policy.

III.13.1.9.2.1. Failure to Provide Financial Assurance or to Meet Milestone.

If a New Generating Capacity Resource or New Demand Capacity Resource: (i) fails to provide the required financial assurance as described in the ISO New England Financial Assurance Policy or (ii) has its Capacity Supply Obligation terminated by the ISO pursuant to Section III.13.3.4A, it shall lose its Capacity Supply Obligation and its right to any payments associated with that Capacity Supply Obligation, and it shall forfeit any financial assurance provided with respect to that Capacity Supply Obligation.

III.13.1.9.2.2. Release of Financial Assurance.

Once a New Generating Capacity Resource or New Demand Capacity Resource achieves FCM Commercial Operation, its financial assurance obligation shall be released pursuant to the terms of the ISO New England Financial Assurance Policy and it shall have the same financial assurance requirements as an Existing Generating Capacity Resource, as governed by the ISO New England Financial Assurance Policy. If a New Generating Capacity Resource or New Demand Capacity Resource is only capable of delivering less than the amount of capacity that cleared in the Forward Capacity Auction, then the portion of its financial assurance associated with the shortfall shall be forfeited.

III.13.1.9.2.2.1. [Reserved.]

III.13.1.9.2.3. Forfeit of Financial Assurance.

Where any financial assurance is forfeited pursuant to the provisions of Section III.13, there shall be no further coverage for such forfeit under the ISO New England Billing Policy. Any financial assurance that is forfeited pursuant to Section III.13 shall be used to reduce charges incurred by load in the relevant Capacity Zone.

III.13.1.9.2.4. Financial Assurance for New Import Capacity Resources.

A New Import Capacity Resource that is backed by a new External Resource or will be delivered over an Elective Transmission Upgrade with a Capacity Network Import Interconnection Service Interconnection Request pursuant to Schedule 25 of Section II of the Transmission, Markets and Services Tariff shall be subject to the same financial assurance requirements as a New Generating Capacity Resource, as described in Section III.13.1.9.1 and Section III.13.1.9.2. Once the new External Resource or the Elective Transmission Upgrade achieves FCM Commercial Operation, the New Import Capacity Resource shall be subject to the same financial assurance requirements as an Existing Generating Capacity Resource, as described in Section III.13.1.9. A New Import Capacity Resource that is backed by one or more existing External Resources or by an external Control Area shall be subject to the same financial assurance requirements as an Existing Generating Capacity Resource, as governed by the ISO New England Financial Assurance Policy.

III.13.1.9.3. Qualification Process Cost Reimbursement Deposit.

For each New Capacity Show of Interest Form, New Demand Capacity Resource Show of Interest Form, and New Distributed Energy Capacity Resource Show of Interest Form submitted for the purposes of qualifying for either a Forward Capacity Auction or reconfiguration auction, the Project Sponsor must submit to the ISO a refundable deposit in the amount shown in the table below (“Qualification Process Cost Reimbursement Deposit”). The Qualification Process Cost Reimbursement Deposit must be received in accordance with the ISO New England Billing Policy. Such deposit shall be used for costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owners, associated with the qualification process described in Section III.13.1 and with the critical path schedule monitoring described in Section III.13.3. An additional Qualification Process Cost Reimbursement Deposit is not required if: (i) the Project Sponsor is actively seeking qualification for another Forward Capacity Auction or annual reconfiguration auction, or is having the

project's critical path schedule monitored pursuant to Section III.13.3; and (ii) the costs already incurred in the qualification process and critical path schedule monitoring do not equal or exceed 90 percent of the amount of the previously-submitted Qualification Process Cost Reimbursement Deposit(s). The ISO shall provide the Project Sponsor with an annual statement in writing of the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. In any case where resources are aggregated or disaggregated, the associated Qualification Process Cost Reimbursement Deposits will be adjusted as appropriate. After aggregation or disaggregation of resources, historical data regarding the costs already incurred in the qualification process of the original resources will no longer be provided. Coincident with the issuance of the annual statement, where incurred costs are equal to or greater than 90 percent of the Qualification Process Cost Reimbursement Deposit(s) previously submitted, the ISO will issue an invoice in the amount determined pursuant to the Qualification Process Cost Reimbursement Deposit table contained in Section III.13.1.9.3.1 plus any excess of costs incurred to date by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owners, associated with the qualification process described in Section III.13.1 and with the critical path schedule monitoring described in Section III.13.3. Any refunds that may result from aggregation of resources will be issued coincident with the annual statement. Payment on the invoice must be received in accordance with the ISO New England Billing Policy. If the Project Sponsor fails to pay the amount due by the stated due date, the ISO will consider the resources that were invoiced withdrawn by the Project Sponsor. Such a withdrawal shall be irrevocable, and payment on the invoice after the due date will not remedy the failure to pay or the withdrawal.

III.13.1.9.3.1. Partial Waiver Of Deposit.

A portion of the deposit shall be waived when there is an active Interconnection Request and an executed Interconnection Feasibility Study Agreement or Interconnection System Impact Study Agreement under Schedule 22, 23 or 25 of Section II of the Transmission, Markets and Services Tariff or where a resource modification does not require a revision to the Interconnection Agreement.

New Generating Capacity Resources \geq 20 MW or an Import Capacity Resource associated with an Elective Transmission Upgrade that has not achieved Commercial	New Generating Capacity Resources $<$ 20 MW and \geq 2 MW	Imports and New Demand Capacity Resources	New Distributed Energy Capacity Resource	New Generating Capacity Resources $<$ 2 MW
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Operation as defined in Schedule 25 of Section II of the Transmission, Markets and Services Tariff				
<i>Including Up-rates, Re-powering, Environmental Compliance & Intermittent Power Resources</i>	<i>Including Up-rates, Re-powering, Environmental Compliance & Intermittent Power Resources</i>			
\$15,000	\$6,500	\$1,000	\$2,500	\$500

III.13.1.9.3.2. Settlement of Costs.

III.13.1.9.3.2.1. Settlement Of Costs Associated With Resources Participating In A Forward Capacity Auction Or Reconfiguration Auction.

Upon the latter of: (i) the first day of the Capacity Commitment Period for which a resource offers into the Forward Capacity Market or (ii) the date on which the entire resource is accepted by the ISO for FCM Commercial Operation, the ISO shall provide the Project Sponsor with a statement in writing of the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. If any portion of the Qualification Process Cost Reimbursement Deposit exceeds the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s) associated with the qualification process and critical path schedule monitoring, the ISO shall refund to the Project Sponsor the excess including interest calculated in accordance with 18 CFR § 35.19a(a)(2). If the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring exceed the Qualification Process Cost Reimbursement Deposit, the Project Sponsor shall pay such excess, including interest calculated in accordance with 18 CFR § 35.19a(a)(2) – For Demand Capacity Resources, the ISO shall provide all of the above concurrently with the annual statement required under Section III.13.1.9.3.

III.13.1.9.3.2.2. Settlement Of Costs Associated With Resources That Withdraw From A Forward Capacity Auction Or Reconfiguration Auction.

Upon the withdrawal or failure to meet the requirements of the qualification process set forth in Section III.13.1, the ISO shall provide the Project Sponsor with a statement in writing of the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. A Project Sponsor that withdraws or is deemed to have withdrawn its request for qualification shall pay to the ISO all costs prudently incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring. The ISO shall refund to the Project Sponsor any portion of the Qualification Process Cost Reimbursement Deposit that exceeds the costs associated with the qualification process and critical path schedule monitoring incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), including interest calculated in accordance with 18 CFR § 35.19a(a)(2). The ISO shall charge the Project Sponsor the amount of such costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of affected Transmission Owner(s), that exceeds the Qualification Process Cost Reimbursement Deposit, including interest calculated in accordance with 18 CFR § 35.19a(a)(2). For Demand Capacity Resources, the ISO shall provide all of the above concurrently with the annual statement required under Section III.13.1.9.3.

III.13.1.9.3.2.3. Crediting Of Reimbursements.

Cost reimbursements received (excluding amounts passed through to the ISO's consultants and to affected Transmission Owner(s)) by the ISO pursuant to this Section III.13.1.9.3.2 shall be credited against revenues received by the ISO pursuant to Section IV.A.6.1 of the Transmission, Markets and Services Tariff.

III.13.1.10. Forward Capacity Auction Qualification Schedule.

Beginning with the timeline for the Capacity Commitment Period beginning on June 1, 2017 (the eighth Forward Capacity Auction), and for each Capacity Commitment Period thereafter, the deadlines will be consistent for each Capacity Commitment Period, as follows:

- (a) each Capacity Commitment Period shall begin in June;
- (b) the Existing Capacity Retirement Deadline will be in March, approximately four years and three months before the beginning of the Capacity Commitment Period, except that, for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the Existing Capacity Retirement Deadline will be April 6, 2023;

- (c) the New Capacity Show of Interest Submission Window will be in April, approximately four years and two months before the beginning of the Capacity Commitment Period, except that, for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the New Capacity Show of Interest Submission Window will open on April 24, 2023 and will close on May 8, 2023;
- (d) the Existing Capacity Qualification Deadline will be 90 days after the Existing Capacity Retirement Deadline, approximately four years before the beginning of the Capacity Commitment Period, except that, for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the Existing Capacity Qualification Deadline will be June 20, 2023;
- (e) the New Capacity Qualification Deadline will be in June or July that is just under four years before the beginning of the Capacity Commitment Period; and
- (f) the Forward Capacity Auction for the Capacity Commitment Period will begin in February approximately three years and four months before the beginning of the Capacity Commitment Period.

III.13.1.11 Opt-Out for Resources Electing Multiple-Year Treatment.

Beginning in the qualification process for the ninth Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2018), any resource that had elected in a Forward Capacity Auction prior to the ninth Forward Capacity Auction (pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7) to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which its New Capacity Offer cleared may, by submitting a written notification to the ISO no later than the Existing Capacity Qualification Deadline (or, in the case of the ninth Forward Capacity Auction, no later than September 19, 2014), opt-out of the remaining years of the resource's multiple-year election. A decision to so opt-out shall be irrevocable. A resource choosing to so opt-out will participate in subsequent Forward Capacity Auctions in the same manner as other Existing Capacity Resources.

III.13.2. Annual Forward Capacity Auction.

III.13.2.1. Timing of Annual Forward Capacity Auctions.

Each Forward Capacity Auction will be conducted beginning on the first Monday in the February that is approximately three years and four months before the beginning of the associated Capacity Commitment Period (unless, no later than the immediately preceding December 1, an alternative date is announced by the ISO), or, where exigent circumstances prevent the start of the Forward Capacity Auction at that time, as soon as possible thereafter.

III.13.2.2. Amount of Capacity Cleared in Each Forward Capacity Auction.

The total amount of capacity cleared in each Forward Capacity Auction shall be determined using the System-Wide Capacity Demand Curve and the Capacity Zone Demand Curves for the modeled Capacity Zones pursuant to Section III.13.2.3.3.

III.13.2.2.1. System-Wide Capacity Demand Curve.

The MRI Transition Period is the period from the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2020 through the earlier of:

- (i) the Forward Capacity Auction for which the amount of the Installed Capacity Requirement (net of HQICCs) that is filed by the ISO with the Commission pursuant to Section III.12.3 for the upcoming Forward Capacity Auction is greater than or equal to the sum of: 34,151 MW, and: (a) 722 MW (for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2020); (b) 375 MW (for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2021), or; (c) 150 MW (for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2022);
- (ii) the Forward Capacity Auction for which the product of the system-wide Marginal Reliability Impact value, calculated pursuant to Section III.12.1.1, and the scaling factor specified in Section III.13.2.2.4, specifies a quantity at \$7.03/kW-month in excess of the MW value determined under the applicable subsection (2)(b), (2)(c), or (2)(d), below, or;
- (iii) the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2022.

During the MRI Transition Period, the System-Wide Capacity Demand Curve shall consist of the following three segments:

- (1) at prices above \$7.03/kW-month and below the Forward Capacity Auction Starting Price, the System-Wide Capacity Demand Curve shall specify a price for system capacity quantities based on the product of the system-wide Marginal Reliability Impact value, calculated pursuant to Section III.12.1.1, and the scaling factor specified in Section III.13.2.2.4;
- (2) at prices below \$7.03/kW-month, the System-Wide Capacity Demand Curve shall be linear between \$7.03/kW-month and \$0.00/kW-month and determined by the following quantities:
 - (a) At the price of \$0.00/kW-month, the quantity specified by the System-Wide Capacity Demand Curve shall be 1616 MW plus the MW value determined under the applicable provision in (b), (c), or (d) of this subsection.
 - (b) for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2020, at \$7.03/kW-month, the quantity shall be the lesser of:
 1. 35,437 MW; and
 2. 722 MW plus the quantity at which the product of the system-wide Marginal Reliability Impact value and the scaling factor yield a price of \$7.03/kW-month;
 - (c) for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2021, at \$7.03/kW-month, the quantity shall be the lesser of:
 1. 35,090 MW; and
 2. 375 MW plus the quantity at which the product of the system-wide Marginal Reliability Impact value and the scaling factor yield a price of \$7.03/kW-month;
 - (d) for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2022, at \$7.03/kW-month, the quantity shall be the lesser of:
 1. 34,865 MW; and
 2. 150 MW plus the quantity at which the product of the system-wide Marginal Reliability Impact value and the scaling factor yield a price of \$7.03/kW-month
- (3) a price of \$7.03/kW-month for all quantities between those curves segments.

In addition to the foregoing, the System-Wide Capacity Demand Curve shall not specify a price in excess of the Forward Capacity Auction Starting Price.

Following the MRI Transition Period, the System-Wide Capacity Demand Curve shall specify a price for system capacity quantities based on the product of the system-wide Marginal Reliability Impact value, calculated pursuant to Section III.12.1.1, and the scaling factor specified in Section III.13.2.2.4. For any system capacity quantity greater than 110% of the Installed Capacity Requirement (net of HQICCs), the System-Wide Capacity Demand Curve shall specify a price of zero. The System-Wide Capacity Demand Curve shall not specify a price in excess of the Forward Capacity Auction Starting Price.

III.13.2.2.2. Import-Constrained Capacity Zone Demand Curves.

For each import-constrained Capacity Zone, the Capacity Zone Demand Curve shall specify a price for all Capacity Zone quantities based on the product of the import-constrained Capacity Zone's Marginal Reliability Impact value, calculated pursuant to Section III.12.2.1.3, and the scaling factor specified in Section III.13.2.2.4. The prices specified by an import-constrained Capacity Zone Demand Curve shall be non-negative. At all quantities greater than the truncation point, which is the amount of capacity for which the Capacity Zone Demand Curve specifies a price of \$0.01/kW-month, the Capacity Zone Demand Curve shall specify a price of zero. The Capacity Zone Demand Curve shall not specify a price in excess of the Forward Capacity Auction Starting Price.

III.13.2.2.3. Export-Constrained Capacity Zone Demand Curves.

For each export-constrained Capacity Zone, the Capacity Zone Demand Curve shall specify a price for all Capacity Zone quantities based on the product of the export-constrained Capacity Zone's Marginal Reliability Impact value, calculated pursuant to Section III.12.2.2.1, and the scaling factor specified in Section III.13.2.2.4. The prices specified by an export-constrained Capacity Zone Demand Curve shall be non-positive. At all quantities less than the truncation point, which is the amount of capacity for which the Capacity Zone Demand Curve specifies a price of negative \$0.01/kW-month, the Capacity Zone Demand Curve shall specify a price of zero.

III.13.2.2.4. Capacity Demand Curve Scaling Factor.

The demand curve scaling factor shall be set at the value such that, at the quantity specified by the System-Wide Capacity Demand Curve at a price of Net CONE, the Loss of Load Expectation is 0.1 days per year.

III.13.2.3. Conduct of the Forward Capacity Auction.

The Forward Capacity Auction shall include a descending clock auction, which will determine, subject to the provisions of Section III.13.2.7, the Capacity Clearing Price for each Capacity Zone modeled in that Forward Capacity Auction pursuant to Section III.12.4, and the Capacity Clearing Price for certain offers from New Import Capacity Resources and Existing Import Capacity Resources pursuant to Section III.13.2.3.3(d). The Forward Capacity Auction shall determine the outcome of all offers and bids accepted during the qualification process and submitted during the auction. The descending clock auction shall be conducted as a series of rounds, which shall continue (for up to five consecutive Business Days, with up to eight rounds per day, absent extraordinary circumstances) until the Forward Capacity Auction is concluded for all modeled Capacity Zones in accordance with the provisions of Section III.13.2.3.3. Each round of the Forward Capacity Auction shall consist of the following steps, which shall be completed simultaneously for each Capacity Zone included in the round:

III.13.2.3.1. Step 1: Announcement of Start-of-Round Price and End-of-Round Price.

For each round, the auctioneer shall announce a single Start-of-Round Price (the highest price associated with a round of the Forward Capacity Auction) and a single (lower) End-of-Round Price (the lowest price associated with a round of the Forward Capacity Auction). In the first round, the Start-of-Round Price shall equal the Forward Capacity Auction Starting Price for all modeled Capacity Zones. In each round after the first round, the Start-of-Round Price shall equal the End-of-Round Price from the previous round.

III.13.2.3.2. Step 2: Compilation of Offers and Bids.

The auctioneer shall compile all of the offers and bids for that round, as follows:

(a) Offers from New Generating Capacity Resources, New Import Capacity Resources, New Demand Capacity Resources, and New Distributed Energy Capacity Resources.

- (i) The Project Sponsor for any New Generating Capacity Resource, New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability, New Import Capacity Resource that is associated with an Elective Transmission Upgrade, New Demand Capacity Resource, or New Distributed Energy Capacity Resource accepted in the qualification process for participation in the Forward Capacity Auction may submit a New Capacity Offer indicating the

quantity of capacity that the Project Sponsor would commit to provide from the resource during the Capacity Commitment Period at that round's prices. A New Capacity Offer shall be defined by the submission of one to five prices, each strictly less than the Start-of-Round Price but greater than or equal to the End-of-Round Price, and an associated quantity in the applicable Capacity Zone. Each price shall be expressed in units of dollars per kilowatt-month to an accuracy of at most three digits to the right of the decimal point, and each quantity shall be expressed in units of MWs to an accuracy of at most three digits to the right of the decimal point. A New Capacity Offer shall imply a supply curve indicating quantities offered at all of that round's prices, pursuant to the convention of Section III.13.2.3.2(a)(iii).

(ii) If the Project Sponsor of a New Generating Capacity Resource, New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability, New Import Capacity Resource that is associated with an Elective Transmission Upgrade, New Demand Capacity Resource, or New Distributed Energy Capacity Resource elects to offer in a Forward Capacity Auction, the Project Sponsor must offer the resource's full FCA Qualified Capacity at the Forward Capacity Auction Starting Price in the first round of the auction. A New Capacity Offer for a resource may in no event be for greater capacity than the resource's full FCA Qualified Capacity at any price. A New Capacity Offer for a resource may not be for less capacity than the resource's Rationing Minimum Limit at any price, except where the New Capacity Offer is for a capacity quantity of zero.

(iii) Let the Start-of-Round Price and End-of-Round Price for a given round be P_S and P_E , respectively. Let the m prices ($1 \leq m \leq 5$) submitted by a Project Sponsor for a modeled Capacity Zone be p_1, p_2, \dots, p_m , where $P_S > p_1 > p_2 > \dots > p_m \geq P_E$, and let the associated quantities submitted for a New Capacity Resource be q_1, q_2, \dots, q_m . Then the Project Sponsor's supply curve, for all prices strictly less than P_S but greater than or equal to P_E , shall be taken to be:

$$S(p) = \begin{cases} q_0, & \text{if } p > p_1, \\ q_1, & \text{if } p_2 < p \leq p_1, \\ q_2, & \text{if } p_3 < p \leq p_2, \\ \dots & \dots, \\ q_m, & \text{if } p \leq p_m. \end{cases}$$

where, in the first round, q_0 is the resource's full FCA Qualified Capacity and, in subsequent rounds, q_0 is the resource's quantity offered at the lowest price of the previous round.

(iv) The amount of capacity included in each New Capacity Offer at each price shall be included in the aggregate supply curves at that price as described in Section III.13.2.3.3. If the Internal Market Monitor has determined that a New Capacity Resource must use a New Resource Offer Floor Price pursuant to Section III.A.21.2.3, such New Capacity Resource may not include any capacity in a New Capacity Offer during the Forward Capacity Auction at any price below the resource's New Resource Offer Floor Price.

(v) Capacity associated with a New Import Capacity Resource (other than a New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability or a New Import Capacity Resource that is associated with an Elective Transmission Upgrade) shall be automatically included in the aggregate supply curves as described in Section III.13.2.3.3 at prices at or above the resource's offer prices (as established or modified pursuant to Section III.A.21.4) and shall be automatically removed from the aggregate supply curves at prices below the resource's offer prices (as established or modified pursuant to Section III.A.21.4), except under the following circumstances:

In any round of the Forward Capacity Auction in which prices are below the Dynamic De-List Bid Threshold, the Project Sponsor for a New Import Capacity Resource (other than a New Import Capacity Resource that is backed by a single new External Resource and that is associated with an investment in transmission that increases New England's import capability or a New Import Capacity Resource that is associated with an Elective Transmission Upgrade) with offer prices (as established or modified pursuant to Section III.A.21.4) that are less than the Dynamic De-List Bid Threshold may submit a New Capacity Offer indicating the quantity of capacity that the Project Sponsor would commit to provide from the resource during the Capacity Commitment Period at that round's prices. Such an offer shall be defined by the submission of one to five prices, each less than the Dynamic De-List Bid Threshold (or the Start-of-Round Price, if lower than the Dynamic De-List Bid Threshold) but greater than or equal to the End-of-Round Price, and a single quantity associated with each price. Such an offer shall be expressed in the same form as specified in Section III.13.2.3.2(a)(i) and shall imply a curve indicating quantities at all of

that round's relevant prices, pursuant to the convention of Section III.13.2.3.2(a)(iii). The curve may not increase the quantity offered as the price decreases.

(b) Bids from Existing Capacity Resources

(i) Static De-List Bids, Permanent De-List Bids, Retirement De-List Bids, and Export Bids from Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources and Existing Distributed Energy Capacity Resources, as finalized in the qualification process or as otherwise directed by the Commission shall be automatically bid into the appropriate rounds of the Forward Capacity Auction, such that each such resource's FCA Qualified Capacity will be included in the aggregate supply curves as described in Section III.13.2.3.3 until any Static De-List Bid, Permanent De-List Bid, Retirement D-List Bid, or Export Bid clears in the Forward Capacity Auction, as described in Section III.13.2.5.2, and is removed from the aggregate supply curves. In the case of a Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid at or above the Forward Capacity Auction Starting Price, or where a Permanent De-List Bid or Retirement De-List Bid is subject to an election under Section III.13.1.2.4.1(a), the resource's FCA Qualified Capacity will be reduced by the quantity of the de-list bid (unless the resource was retained for reliability pursuant to Section III.13.1.2.3.1.5.1) and the Permanent De-List Bid or Retirement De-List Bid shall not be included in the Forward Capacity Auction. Permanent De-List Bids and Retirement De-List Bids subject to an election under Section III.13.1.2.4.1(a) or Section III.13.1.2.4.1(b) shall not be included in the Forward Capacity Auction and shall be treated according to Section III.13.2.3.2(b)(ii). In the case of a Permanent De-List Bid or Retirement De-List Bid, if the Market Participant reduced the Internal Market Monitor-accepted bid pursuant to Section III.13.1.2.3.1.5(d), then the reduced bid shall be used in place of the Internal Market Monitor-accepted bid. In the case of a Static De-List Bid, if the Market Participant revised the bid pursuant to Section III.13.1.2.3.1.1, then the revised bid shall be used in place of the submitted bid; if the Market Participant withdrew the bid pursuant to Section III.13.1.2.3.1.1, then the capacity associated with the withdrawn bid shall be entered into the auction pursuant to Section III.13.2.3.2(c). If the amount of capacity associated with Export Bids for an interface exceeds the transfer limit of that interface (minus any accepted Administrative De-List Bids over that interface), then the set of Export Bids associated with that interface equal to the interface's transfer limit (minus any accepted Administrative De-List Bids over that interface) having the highest bid prices shall be included in the auction as described above; capacity for which Export

Bids are not included in the auction as a result of this provision shall be entered into the auction pursuant to Section III.13.2.3.2(c).

(ii) For Permanent De-List Bids and Retirement De-List Bids, the ISO will enter a Proxy De-List Bid into the appropriate rounds of the Forward Capacity Auction in the following circumstances: (1) if the Lead Market Participant has elected pursuant to Section III.13.1.2.4.1(a) to retire the resource or portion thereof, the resource has not been retained for reliability pursuant to Section III.13.1.2.3.1.5.1, the price specified in the Commission-approved de-list bid is less than the Forward Capacity Auction Starting Price, and the Internal Market Monitor has found a portfolio benefit pursuant to Section III.A.24; or (2) if the Lead Market Participant has elected conditional treatment pursuant to Section III.13.1.2.4.1(b), the resource has not been retained for reliability pursuant to Section III.13.1.2.3.1.5.1, and the price specified in the Commission-approved de-list bid is less than the price specified in the de-list bid submitted by the Lead Market Participant and less than the Forward Capacity Auction Starting Price. The Proxy De-List Bid shall be non-rationable and shall be equal in price and quantity to, and located in the same Capacity Zone as, the Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid, and shall be entered into the appropriate rounds of the Forward Capacity Auction such that the capacity associated with the Proxy De-List Bid will be included in the aggregate supply curves as described in Section III.13.2.3.3 until the Proxy De-List Bid clears in the Forward Capacity Auction, as described in Section III.13.2.5.2, and is removed from the aggregate supply curves. If the Lead Market Participant has elected conditional treatment pursuant to Section III.13.1.2.4.1(b), the resource has not been retained for reliability pursuant to Section III.13.1.2.3.1.5.1, and the Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid is equal to or greater than the de-list bid submitted by the Lead Market Participant, no Proxy De-List Bid shall be used and the Commission-approved de-list bid shall be entered in the Forward Capacity Auction pursuant to Section III.13.2.3.2(b)(i).

(iii) For purposes of this subsection (b), if an Internal Market Monitor-determined price has been established for a Static De-List Bid and the associated resource's capacity is pivotal pursuant to Sections III.A.23.1 and III.A.23.2, then (unless otherwise directed by the Commission) the lower of the Internal Market Monitor-determined price and any revised bid that is submitted pursuant to Section III.13.1.2.3.1.1 will be used in place of the initially submitted bid; provided, however, that if the bid was withdrawn pursuant to Section III.13.1.2.3.1.1, then the capacity associated with the withdrawn bid shall be entered into the auction pursuant to

Section III.13.2.3.2(c). If an Internal Market Monitor-determined price has been established for an Export Bid and the associated resource's capacity is pivotal pursuant to Sections III.A.23.1 and III.A.23.2, then the Internal Market Monitor-determined price (or price directed by the Commission) will be used in place of the submitted bid.

Any Static De-List Bid for ambient air conditions that has not been verified pursuant to Section III.13.1.2.3.2.4 shall not be subject to the provisions of this subsection (b).

(c) **Existing Capacity Resources Without De-List or Export Bids and Self-Supplied FCA Resources.** Each Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, and Existing Distributed Energy Capacity Resources without a Static De-List Bid, a Permanent De-List Bid, a Retirement De-List Bid, an Export Bid or an Administrative Export De-List Bid in its Existing Capacity Qualification Package, and each existing Self-Supplied FCA Resource shall be automatically entered into each round of the Forward Capacity Auction at its FCA Qualified Capacity, such that the resource's FCA Qualified Capacity will be included in the aggregate supply curves as described in Section III.13.2.3.3, except where such resource, if permitted, submits an appropriate Dynamic De-List Bid, as described in Section III.13.2.3.2(d). Each new Self-Supplied FCA Resource shall be automatically entered into each round of the Forward Capacity Auction at its designated self-supplied quantity, such that the resource's designated self-supply quantity will be included in the aggregate supply curves as described in Section III.13.2.3.3. If the Internal Market Monitor has determined that a new Self-Supplied FCA Resource must use a New Resource Offer Floor Price pursuant to Section III.A.21.2.3, the new resource's self-supplied quantity shall be entered into each round of the Forward Capacity Auction at prices at or above the New Resource Offer Floor Price.

(d) **Dynamic De-List Bids.** In any round of the Forward Capacity Auction in which prices are below the Dynamic De-List Bid Threshold, any Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource (but not any Self-Supplied FCA Resources) may submit a Dynamic De-List Bid at prices below the Dynamic De-List Bid Threshold. Such a bid shall be defined by the submission of one to five prices, each less than the Dynamic De-List Bid Threshold (or the Start-of-Round Price, if lower than the Dynamic De-List Bid Threshold) but greater than or equal to the End-of-Round Price, and a single quantity associated with each price. Such a bid shall be expressed in the same form as specified in Section III.13.2.3.2(a)(i) and shall imply a curve indicating quantities at all of that round's relevant prices, pursuant to the convention of Section III.13.2.3.2(a)(iii). The curve may in no case increase the quantity

offered as the price decreases. A dynamic De-List Bid may not offer less capacity than the resource's Rationing Minimum Limit at any price, except where the amount of capacity offered is zero. All Dynamic De-List Bids are subject to a reliability review as described in Section III.13.2.5.2.5, and if not rejected for reliability reasons, shall be included in the round in the same manner as Static De-List Bids as described in Section III.13.2.3.2(b). Where a resource elected pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7 to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply after the Capacity Commitment Period associated with the Forward Capacity Auction in which the offer clears, the capacity associated with any resulting Capacity Supply Obligation may not be subject to a Dynamic De-List Bid in subsequent Forward Capacity Auctions for Capacity Commitment Periods for which the Project Sponsor elected to have the Capacity Supply Obligation and Capacity Clearing Price continue to apply. Where a Lead Market Participant submits any combination of Dynamic De-List Bid, Static De-List Bid, Export Bid, and Administrative Export De-List Bid for a single resource, none of the prices in a set of price-quantity pairs associated with a bid may be the same as any price in any other set of price-quantity pairs associated with another bid for the same resource.

(e) **Repowering.** Offers and bids associated with a resource participating in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2 (resources previously counted as capacity resources) shall be addressed in the Forward Capacity Auction in accordance with the provisions of this Section III.13.2.3.2(e). The Project Sponsor shall offer such a New Generating Capacity Resource into the Forward Capacity Auction in the same manner and pursuant to the same rules as other New Generating Capacity Resources, as described in Section III.13.2.3.2(a). As long as any capacity is offered from the New Generating Capacity Resource, the amount of capacity offered is the amount that the auctioneer shall include in the aggregate supply curve at the relevant prices, and the quantity of capacity offered from the associated Existing Generating Capacity Resource shall not be included in the aggregate supply curve. If any portion of the New Generating Capacity Resource clears in the Forward Capacity Auction, the associated Existing Generating Capacity Resource shall be permanently de-listed as of the start of the associated Capacity Commitment Period. If at any price, no capacity is offered from the New Generating Capacity Resource, then the auctioneer shall include capacity from the associated Existing Generating Capacity Resource at that price, subject to any bids submitted and accepted in the qualification process for that Existing Generating Capacity Resource pursuant to Section III.13.1.2.5. Bids submitted and accepted in the qualification process for an Existing Generating Capacity Resource pursuant to Section III.13.1.2.5 shall only be entered into the Forward Capacity Auction after the associated New Generating Capacity Resource is fully withdrawn (that is, the Forward Capacity Auction

reaches a price at which the resource's New Capacity Offer is zero capacity), and shall only then be subject to the reliability review described in Section III.13.2.5.2.5.

(f) [Reserved.]

(g) **Mechanics.** Offers and bids that may be submitted during a round of the Forward Capacity Auction must be received between the starting time and ending time of the round, as announced by the auctioneer in advance. The ISO at its sole discretion may authorize a participant in the auction to complete or correct its submission after the ending time of a round, but only if the participant can demonstrate to the ISO's satisfaction that the participant was making reasonable efforts to complete a valid offer submission before the ending time of the round, and only if the ISO determines that allowing the completion or correction will not unreasonably disrupt the auction process. All decisions by the ISO concerning whether or not a participant may complete or correct a submission after the ending time of a round are final.

III.13.2.3.3. Step 3: Determination of the Outcome of Each Round.

The auctioneer shall use the offers and bids for the round as described in Section III.13.2.3.2 to determine the aggregate supply curves for the New England Control Area and for each modeled Capacity Zone included in the round.

The aggregate supply curve for the New England Control Area, the Total System Capacity, shall reflect at each price the sum of the following:

- (1) the amount of capacity offered in all Capacity Zones modeled as import-constrained Capacity Zones at that price (excluding capacity offered from New Import Capacity Resources and Existing Import Capacity Resources);
- (2) the amount of capacity offered in the Rest-of-Pool Capacity Zone at that price (excluding capacity offered from New Import Capacity Resources and Existing Import Capacity Resources);
- (3) for each Capacity Zone modeled as an export-constrained Capacity Zone, the lesser of:
 - (i) the amount of capacity offered in the Capacity Zone at that price (including the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources for each interface between the New England Control Area and an external

- Control Area mapped to the export-constrained Capacity Zone up to that interface's approved capacity transfer limit (net of tie benefits)), or;
- (ii) the amount of capacity determined by the Capacity Zone Demand Curve at zero minus that price, and;
- (4) for each interface between the New England Control Area and an external Control Area mapped to an import-constrained Capacity Zone or the Rest-of-Pool Capacity Zone, the lesser of:
 - (i) that interface's approved capacity transfer limit (net of tie benefits), or;
 - (ii) the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources.

In computing the Total System Capacity, capacity associated with any New Capacity Offer at any price greater than the Forward Capacity Auction Starting Price will not be included in the tally of total capacity at the Forward Capacity Auction Starting Price for that Capacity Zone. On the basis of these aggregate supply curves, the auctioneer shall determine the outcome of the round for each modeled Capacity Zone as follows:

(a) **Import-Constrained Capacity Zones.**

For a Capacity Zone modeled as an import-constrained Capacity Zone, if either of the following two conditions is met during the round:

- (1) the aggregate supply curve for the import-constrained Capacity Zone, adjusted as necessary in accordance with Section III.13.2.6 (Capacity Rationing Rule), equals or is less than the quantity determined by the Capacity Zone Demand Curve at the difference between the End-of-Round Price and the price specified by the System-Wide Capacity Demand Curve (at a quantity no less than Total System Capacity at the Start-of-Round Price), or;
- (2) the Forward Capacity Auction is concluded for the Rest-of-Pool Capacity Zone;

then the Forward Capacity Auction for that Capacity Zone is concluded and such Capacity Zone will not be included in further rounds of the Forward Capacity Auction.

The Capacity Clearing Price for that Capacity Zone shall be set at the greater of: (1) the sum of the price specified by the Capacity Zone Demand Curve at the amount of capacity equal to the total amount that is awarded a Capacity Supply Obligation in the import-constrained Capacity Zone, and the Capacity Clearing Price for the Rest-of-Pool Capacity Zone, or; (2) the highest price of any offer or bid for a resource in the Capacity Zone that is awarded a Capacity Supply Obligation, subject to the other provisions of this Section III.13.2.

If neither of the two conditions above are met in the round, then that Capacity Zone will be included in the next round of the Forward Capacity Auction.

(b) Rest-of-Pool Capacity Zone.

If the Total System Capacity at the End-of-Round Price, adjusted as necessary in accordance with Section III.13.2.6 (Capacity Rationing Rule), and adjusted to include the additional supply in the import-constrained Capacity Zone that may be cleared at a higher price, equals or is less than the amount of capacity determined by the System-Wide Capacity Demand Curve, then the Forward Capacity Auction for the Rest-of-Pool Capacity Zone is concluded and the Rest-of-Pool Capacity Zone will not be included in further rounds of the Forward Capacity Auction.

The Capacity Clearing Price for the Rest-of-Pool Capacity Zone shall be set at the highest price at which the Total System Capacity is less than or equal to the amount of capacity determined by the System-Wide Capacity Demand Curve, subject to the other provisions of this Section III.13.2.

If the Forward Capacity Auction for the Rest-of-Pool Capacity Zone is not concluded then the Rest-of-Pool Capacity Zone will be included in the next round of the Forward Capacity Auction, and the auctioneer shall publish the Total System Capacity at the End-of-Round Price, adjusted to include the additional supply in the import-constrained Capacity Zone that may be cleared at a higher price, less the amount of capacity determined by the System-Wide Capacity Demand Curve at the End-of-Round Price.

(c) Export-Constrained Capacity Zones.

For a Capacity Zone modeled as an export-constrained Capacity Zone, if all of the following conditions are met during the round:

- (1) the aggregate supply curve for the export-constrained Capacity Zone, adjusted as necessary in accordance with Section III.13.2.6 (Capacity Rationing Rule), is equal to or less than the maximum amount of capacity determined by the Capacity Zone Demand Curve at a price of zero;
- (2) in the case of a nested Capacity Zone, the Forward Capacity Auction is concluded for the Capacity Zone within which the nested Capacity Zone is located, and;
- (3) the Forward Capacity Auction is concluded for the Rest-of-Pool Capacity Zone;

then the Forward Capacity Auction for that Capacity Zone is concluded and such Capacity Zone will not be included in further rounds of the Forward Capacity Auction.

The Capacity Clearing Price for an export-constrained Capacity Zone that is not a nested export-constrained Capacity Zone shall be set at the greater of:

- (1) the sum of:
 - (i) the price specified by the Capacity Zone Demand Curve at the amount of capacity equal to the total amount that is awarded a Capacity Supply Obligation in that Capacity Zone; and
 - (ii) the Capacity Clearing Price for the Rest-of-Pool Capacity Zone.or;
- (2) the highest price of any offer or bid for a resource in the Capacity Zone that is awarded a Capacity Supply Obligation, and subject to the other provisions of this Section III.13.2.

The Capacity Clearing Price for a nested export-constrained Capacity Zone shall be set at the greater of:

- (1) the sum of:
 - (i) the price specified by the Capacity Zone Demand Curve at the amount of capacity equal to the total amount that is awarded a Capacity Supply Obligation in that Capacity Zone; and
 - (ii) the Capacity Clearing Price for the Capacity Zone in which the nested Capacity Zone is located,or;
- (2) the highest price of any offer or bid for a resource in the Capacity Zone that is awarded a Capacity Supply Obligation, subject to the other provisions of this Section III.13.2.

If all of the conditions above are not satisfied in the round, then the auctioneer shall publish the quantity of excess supply in the export-constrained Capacity Zone at the End-of-Round Price (the amount of capacity offered at the End-of-Round Price in the export-constrained Capacity Zone minus the maximum

amount of capacity determined by the Capacity Zone Demand Curve at a price of zero) and that Capacity Zone will be included in the next round of the Forward Capacity Auction.

(d) **Treatment of Import Capacity.** Where the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over an interface between the New England Control Area and an external Control Area is less than or equal to that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the capacity offers from those resources shall be treated as capacity offers in the modeled Capacity Zone associated with that interface. Where the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over an interface between the New England Control Area and an external Control Area is greater than that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the following provisions shall apply (separately for each such interface):

(i) For purposes of determining which capacity offers from the New Import Capacity Resources and Existing Import Capacity Resources over the interface shall clear and at what price, the offers over the interface shall be treated in the descending-clock auction as if they comprised a separately-modeled export-constrained capacity zone, with an aggregate supply curve consisting of the offers from the New Import Capacity Resources and Existing Import Capacity Resources over the interface.

(ii) The amount of capacity offered over the interface that will be included in the aggregate supply curve of the modeled Capacity Zone associated with the interface shall be the lesser of the following two quantities: the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over the interface; and the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF).

(iii) The Forward Capacity Auction for New Import Capacity Resources and Existing Import Capacity Resources over the interface is concluded when the following two conditions are both satisfied: the amount of capacity offered from New Import Capacity Resource and Existing Import Capacity Resources over the interface is less than or equal to the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF); and the Forward Capacity Auction is concluded in the modeled Capacity Zone associated with the interface.

(e) **Treatment of Export Capacity.** Any Export Bid or any Administrative Export De-List Bid that is used to export capacity through an export interface connected to an import-constrained Capacity Zone from another Capacity Zone, or through an export interface connected to the Rest-of-Pool Capacity Zone from an export-constrained Capacity Zone in the Forward Capacity Auction will be modeled in the Capacity Zone where the export interface that is identified in the Existing Capacity Qualification Package is located. The Export Bid or Administrative Export De-List Bid clears in the Capacity Zone where the Export Bid or Administrative Export De-List Bid is modeled.

(i) Then the MW quantity equal to the relevant Export Bid or Administrative Export De-List Bid from the resource associated with the Export Bid or Administrative Export De-List Bid will be de-listed in the Capacity Zone where the resource is located. If the export interface is connected to an import-constrained Capacity Zone, the MW quantity procured will be in addition to the amount of capacity determined by the Capacity Zone Demand Curve for the import-constrained Capacity Zone.

(ii) If the Export Bid or Administrative Export De-List Bid does not clear, then the resource associated with the Export Bid or Administrative Export De-List Bid will not be de-listed in the Capacity Zone where the resource is located.

III.13.2.3.4. Determination of Final Capacity Zones.

(a) For all Forward Capacity Auctions up to and including the sixth Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2015), after the Forward Capacity Auction is concluded for all modeled Capacity Zones, the final set of distinct Capacity Zones that will be used for all purposes associated with the relevant Capacity Commitment Period, including for the purposes of reconfiguration auctions and Capacity Supply Obligation Bilaterals, shall be those having distinct Capacity Clearing Prices as a result of constraints between modeled Capacity Zones binding in the running of the Forward Capacity Auction. Where a modeled constraint does not bind in the Forward Capacity Auction, and as a result adjacent modeled Capacity Zones clear at the same Capacity Clearing Price, those modeled Capacity Zones shall be a single Capacity Zone used for all purposes of the relevant Capacity Commitment Period, including for the purposes of reconfiguration auctions and Capacity Supply Obligation Bilaterals.

(b) For all Forward Capacity Auctions beginning with the seventh Forward Capacity Auction (for the Capacity Commitment Period beginning June 1, 2016) the final set of distinct Capacity Zones that will be used for all purposes associated with the relevant Capacity Commitment Period, including for the purposes of reconfiguration auctions and Capacity Supply Obligation Bilaterals, shall be those described in Section III.12.4.

III.13.2.4. Forward Capacity Auction Starting Price and the Cost of New Entry.

III.13.2.4.1 Calculation of Forward Capacity Auction Starting Price, CONE, and Net CONE.

The Forward Capacity Auction Starting Price is max [1.6 multiplied by Net CONE, CONE]. References in this Section III.13 to the Forward Capacity Auction Starting Price shall mean the Forward Capacity Auction Starting Price for the Forward Capacity Auction associated with the relevant Capacity Commitment Period.

CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2025 is \$12.400/kW-month.

Net CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2025 is \$7.468/kW-month.

The ISO shall recalculate CONE and Net CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2030. Thereafter, CONE and Net CONE shall be recalculated no less often than once every four years. Whenever these values are recalculated, the ISO will review the results of the recalculation with stakeholders and the new values will be filed with the Commission prior to the Forward Capacity Auction in which the new value is to apply.

III.13.2.4.2 Interim Year Adjustments to CONE and Net CONE.

For years in which no full recalculation is performed pursuant to Section III.13.2.4.1, CONE and Net CONE will be adjusted for each Forward Capacity Auction with the following updates to the capital budgeting model used to calculate the CONE and Net CONE values set forth above in this Section III.13.2.4. The annual adjustment to CONE and Net CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning June 1, 2028, shall use a cost of debt of 6.85% and a cost of equity of 13.80%. These values shall also be used for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2029.

- (1) Each line item associated with capital costs that is included in the capital budgeting model will be updated to reflect changes in the Bureau of Labor Statistics Producer Price Index for Machinery and Equipment: General Purpose Machinery and Equipment (WPU114).
- (2) For each line item in (1) above, the ISO shall calculate a multiplier that is equal to the average of values published during the most recent 12 month period available at the time of making the adjustment divided by the average of the most recent 12 month period available at the time of establishing the CONE and Net CONE values set forth in Section III.13.2.4.1. The value of each line item associated with capital costs in the capital budgeting model will be adjusted by the relevant multiplier.
- (3) The energy and ancillary services offset values in the capital budgeting model shall be adjusted by inputting to the capital budgeting model the Henry Hub natural gas futures prices, the Algonquin Citygates Basis natural gas futures prices and the Massachusetts Hub Day-Ahead Peak electricity prices, as published by ICE for the first five trading days in February, for each month of the Capacity Commitment Period to which the updated value will apply.
- (4) The CONE and Net CONE values adjusted pursuant to this Section III.13.2.4.2 will be published on the ISO's web site.
- (5) If any of the values required for the calculations described in this Section III.13.2.4.2 are unavailable, then comparable values, prices or sources shall be used.

III.13.2.5. Treatment of Specific Offer and Bid Types in the Forward Capacity Auction.

III.13.2.5.1. Offers from New Generating Capacity Resources, New Import Capacity Resources, New Demand Capacity Resources, and New Distributed Energy Capacity Resources.

A New Capacity Offer clears (receives a Capacity Supply Obligation for the associated Capacity Commitment Period) in the Forward Capacity Auction if the Capacity Clearing Price is greater than or equal to the price specified in the offer, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6.

The amount of capacity that receives a Capacity Supply Obligation through the Forward Capacity Auction shall not exceed the quantity of capacity offered in the New Capacity Offer at the Capacity Clearing Price.

III.13.2.5.2. Bids and Offers from Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources, and Existing Distributed Energy Capacity Resources.

III.13.2.5.2.1. Permanent De-List Bids and Retirement De-List Bids.

(a) Except as provided in Section III.13.2.5.2.5, a Permanent De-List Bid, Retirement De-List Bid or Proxy De-List Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply Obligation) if the Capacity Clearing Price is less than or equal to the price specified in the bid, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6.

(b) Unless the capacity has been retained for reliability pursuant to Section III.13.2.5.2.5, if all or part of a resource with a Permanent De-List Bid or Retirement De-List Bid does not clear in the Forward Capacity Auction (receives a Capacity Supply Obligation), the Lead Market Participant shall enter the uncleared portion of the bid into the qualification process for the following Forward Capacity Auction as described in Section III.13.1.2.3.1.5.

(c) If the Capacity Clearing Price is greater than the price specified in a de-list bid submitted by a Lead Market Participant that elected conditional treatment for the de-list bid pursuant to Section III.13.1.2.4.1(b), and there is an associated Proxy De-List Bid that does not clear (receives a Capacity Supply Obligation), the resource will receive a Capacity Supply Obligation at the Capacity Clearing Price.

(d) The process by which the primary auction is cleared (but not the compilation of offers and bids pursuant to Sections III.13.2.3.1 and III.13.2.3.2) will be repeated after the substitution auction is completed if one of the following conditions is met: (1) if any Proxy De-List Bid entered as a result of a Lead Market Participant electing to retire pursuant to Section III.13.1.2.4.1(a) does not clear (receives a Capacity Supply Obligation) in the first run of the primary auction-clearing process and retains some portion of its Capacity Supply Obligation in the substitution auction; or (2) if any Proxy De-List Bid entered as a result of a Lead Market Participant electing conditional treatment pursuant to Section

III.13.1.2.4.1(b) does not clear (receives a Capacity Supply Obligation) in the first run of the primary auction-clearing process, the de-list bid submitted by the Lead Market Participant is at or above the Capacity Clearing Price, and the Proxy De-List Bid retains some portion of its Capacity Supply Obligation in the substitution auction. The second run of the primary auction-clearing process: (i) excludes all Proxy De-List Bids, (ii) includes the offers and bids of resources compiled pursuant to Section III.13.2.3.2 that did not receive a Capacity Supply Obligation in the first run of the primary auction-clearing process, excluding the offers, or portion thereof, associated with resources that acquired a Capacity Supply Obligation in the substitution auction, and (iii) includes the capacity of resources, or portion thereof, that retain a Capacity Supply Obligation after the first run of the primary auction-clearing process and the substitution auction. The second run of the primary auction-clearing process shall not affect the Capacity Clearing Price of the Forward Capacity Auction (which is established by the first run of the primary auction-clearing process).

(e) Resources (other than those still subject to a multi-year Capacity Commitment Period election as described in Sections III.13.1.1.2.2.4 and III.13.1.4.1.1.2.7) that receive a Capacity Supply Obligation as a result of the first run of the primary auction-clearing process shall be paid the Capacity Clearing Price during the associated Capacity Commitment Period. Where the second run of the primary auction-clearing process procures additional capacity, the resulting price, paid during the associated Capacity Commitment Period (and subsequent Capacity Commitment Periods, as elected pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7) to the additionally procured capacity, shall be equal to or greater than the adjusted price resulting from the first run of the primary auction-clearing process for that Capacity Zone.

III.13.2.5.2.2. Static De-List Bids and Export Bids.

Except as provided in Section III.13.2.5.2.5, a Static De-List Bid or an Export Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply Obligation for the associated Capacity Commitment Period) if the Capacity Clearing Price is less than or equal to the price specified in the bid, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6.

III.13.2.5.2.3. Dynamic De-List Bids.

A Dynamic De-List Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply Obligation for the associated Capacity Commitment Period) if the Capacity Clearing Price is less than or equal to the price specified in the bid, except possibly as a result of the Capacity Rationing Rule described in Section III.13.2.6. If more Dynamic De-List Bids are submitted at a price than are needed to clear the

market, such Dynamic De-List Bids shall be cleared pro-rata, but in no case less than a resource's Rationing Minimum Limit.

III.13.2.5.2.4. Administrative Export De-List Bids.

An Administrative Export De-List Bid clears in the Forward Capacity Auction (does not receive a Capacity Supply Obligation for the associated Capacity Commitment Period) regardless of the Capacity Clearing Price.

III.13.2.5.2.5. Reliability Review.

The ISO shall review each Retirement De-List Bid, Permanent De-List Bid, Static De-List Bid, Export Bid, Administrative Export De-List Bid, Dynamic De-List Bid, and substitution auction demand bid to determine whether the capacity associated with that bid is needed for reliability reasons during the Capacity Commitment Period associated with the Forward Capacity Auction; Proxy De-List Bids shall not be reviewed.

(a) The reliability review of de-list bids will be conducted in descending price order using the price as finalized during qualification or as otherwise directed by the Commission. De-list bids with the same price will be reviewed in the order that produces the least negative impact to reliability; where bids are the same price and provide the same impact to reliability, they will be reviewed based on their submission time. If de-list bids with the same price are from a single generating station, they will be reviewed in an order that seeks to provide (1) the least-cost solution under Section III.13.2.5.2.5.1(d) and (2) the minimum aggregate quantity required for reliability from the generating station. The reliability review of substitution auction demand bids that would otherwise clear will be conducted in order beginning with the resource whose cleared bids contribute the greatest amount to social surplus. The capacity associated with a bid shall be deemed needed for reliability reasons if the absence of the capacity would result in the violation of any NERC or NPCC criteria, or ISO New England System Rules. Bids shall only be rejected pursuant to this Section III.13.2.5.2.5 for the sole purpose of addressing a local reliability issue, and shall not be rejected solely on the basis that acceptance of the bid may result in the procurement of less capacity than the Installed Capacity Requirement (net of HQICCs) or the Local Sourcing Requirement for a Capacity Zone.

(b) If a Retirement De-List Bid, Permanent De-List Bid, Static De-List Bid, Export Bid, Administrative Export De-List Bid, or Dynamic De-List Bid would otherwise clear in the Forward Capacity Auction, but the ISO has determined that some or all of the capacity associated with the de-list

bid is needed for reliability reasons, then the de-list bid having capacity needed for reliability will not clear in the Forward Capacity Auction. If the ISO has determined that some or all of the capacity associated with a substitution auction demand bid that would otherwise clear is needed for reliability reasons, then the entire demand bid will not be further included in the substitution auction.

(c) The Lead Market Participant shall be notified that its bid did not clear for reliability reasons at the later of: (i) immediately after the end of the Forward Capacity Auction round in which the auction price reaches the price of the de-list bid; or (ii) as soon as practicable after the time at which the ISO has determined that the bid must be rejected for reliability reasons. In no event, however, shall a Lead Market Participant be notified that a bid submitted pursuant to Section III.13.1.2.5 and accepted in the qualification process for an Existing Generating Capacity Resource did not clear for reliability reasons if the associated New Generating Capacity Resource remains in the Forward Capacity Auction. In such a case, the Lead Market Participant shall be notified that its bid did not clear for reliability reasons at the later of: (i) immediately after the end of the Forward Capacity Auction round in which the auction price reaches the price of the bid; (ii) immediately after the end of the Forward Capacity Auction round in which the associated New Generating Capacity Resource is fully withdrawn (that is, the Forward Capacity Auction reaches a price at which the resource's New Capacity Offer is zero capacity); or (iii) as soon as practicable after the time at which the ISO has determined that the bid must be rejected for reliability reasons.

(d) A resource that has a de-list bid rejected for reliability reasons shall be compensated pursuant to the terms set out in Section III.13.2.5.2.5.1 and shall have a Capacity Supply Obligation as described in Section III.13.6.1.

(e) The ISO shall review the results of each annual reconfiguration auction and determine whether the reliability need which caused the ISO to reject the de-list bid has been met through the annual reconfiguration auction. The ISO may also attempt to address the reliability concern through other reasonable means (including transmission enhancements).

(f) If the reliability need that caused the ISO to reject a de-list bid is met through a reconfiguration auction or other means, the resource shall retain its Capacity Supply Obligation through the end of the Capacity Commitment Period for which it was retained for reliability (provided that resources that have Permanent De-List Bids or Retirement De-List Bids rejected for reliability shall be permanently de-listed or retired as of the first day of the subsequent Capacity Commitment Period (or earlier if the resource

sheds the entirety of the Capacity Supply Obligation as described in Section III.13.2.5.2.5.3(a)(ii) or Section III.13.2.5.2.5.3(b)(ii)).

(g) If a Permanent De-List Bid or a Retirement De-List Bid is rejected for reliability reasons, and the reliability need is not met through a reconfiguration auction or other means, that resource, or portion thereof, as applicable, is no longer eligible to participate as an Existing Capacity Resource in any reconfiguration auction, Forward Capacity Auction or Capacity Supply Obligation Bilateral for that and subsequent Capacity Commitment Periods. If the resource, or portion thereof, continues to be needed for reliability reasons, it shall be counted as capacity in the Forward Capacity Auction and shall be compensated as described in Section III.13.2.5.2.5.1.

(h) The ISO shall review with the Reliability Committee (i) the status of any prior rejected de-list bids reported to the Commission in an FCA results filing pursuant to Section 13.8.2, and (ii) the status of any Retirement De-List Bid or Permanent De-List Bid that has been rejected for reliability reasons and has elected to continue to operate, prior to the New Capacity Qualification Deadline in accordance with Section 4.1(c) of Attachment K of the ISO OATT.

If an identified reliability need results in the rejection of a Retirement De-List Bid, Permanent De-List Bid, Export Bid, Administrative Export De-List Bid, Static De-List Bid, or Dynamic De-List Bid while executing an FCA, the ISO shall (i) review each specific reliability need with the Reliability Committee in accordance with the timing provided for in the ISO New England Operating Documents and, (ii) update the current system Needs Assessments pursuant to Section 4.1(c) of Attachment K of the ISO OATT. This review and update will follow ISO's filing of the FCA results with the Commission pursuant to Section 13.8.2.

III.13.2.5.2.5A Fuel Security Reliability Review

(a) This Section III.13.2.5.2.5A will remain in effect for the 2022/23, 2023/24 and 2024/25 Capacity Commitment Period, after which this Section III.13.2.5.2.5A will sunset.

(b) This Section III.13.2.5.2.5A will apply to (i) Retirement De-List Bids, (ii) substitution auction demand bids, and (iii) bilateral transactions and reconfiguration auctions demand bids submitted by an Existing Generating Capacity Resource that has been identified as being needed for fuel security during a Forward Capacity Auction. Terms set out in this Section III.13.2.5.2.5A will apply only for the period and

resources described within this Section III.13.2.5.2.5A. Where the terms and conditions in this Section III.13.2.5.2.5A differ from terms otherwise set out in Section III.13, the terms of this Section III.13.2.5.2.5A will control for the period and circumstances described in Section III.13.2.5.2.5A.

(c) A fuel security reliability review for the Forward Capacity Market will be performed pursuant to Appendix L to Section III of the Tariff, and in accordance with the inputs and methodology set out to establish the fuel security reliability standard in Appendix I of Planning Procedure No. 10.

(d) For fuel security reliability reviews performed for the primary Forward Capacity Auction, the fuel security reliability review will be performed after the Existing Capacity Retirement Deadline and conducted in descending price order using the price as submitted in the Retirement De-List Bids. Bids with the same price will be reviewed in the order that produces the least negative impact to reliability. Where multiple bids have the same price and the retirement of the Existing Generating Capacity Resources would have the same impact to reliability, they will be reviewed based on their submission time. If bids with the same price are from a single generating station, they will be reviewed in an order that seeks to provide (1) the least-cost solution under Section III.13.2.5.2.5.1(d), and (2) the minimum aggregate quantity required for reliability from the generating station. An Existing Generating Capacity Resource may be needed for both fuel security and for transmission security pursuant to Section III.13.2.5.2.5. The fuel security reliability review will be performed in advance of the reliability review for transmission security. Where an Existing Generating Capacity Resource is needed for both fuel security reasons pursuant to this Section III.13.2.5.2.5A, and transmission security reliability reasons pursuant to Section III.13.2.5.2.5, the generator will be retained for fuel security for purposes of cost allocation.

(e) If an Existing Generating Capacity Resource is identified as being needed for fuel security reasons, and the reliability need is not met through a reconfiguration auction or other means, that resource, or portion thereof, as applicable may not participate in Annual Reconfiguration Auctions for the Capacity Commitment Period(s) for which it is needed for fuel security, or earlier 2022/23, 2023/24 and 2024/25 Capacity Commitment Periods. Such an Existing Generating Capacity Resource that is identified as being needed for fuel security may participate in monthly bilateral transactions and monthly reconfiguration auctions, but may not submit monthly bilateral transactions for December, January or February, or demand bids for the December, January, or February monthly reconfiguration auctions for any period for which they have been identified as being needed for fuel security.

(f) Participants that have submitted a Retirement De-List Bid will be notified by ISO New England if their resource is needed for fuel security reliability reasons no later than 90 days after the Existing Capacity Retirement Deadline. Participants that have submitted a substitution auction demand bid, and where the demand bid has been rejected for reliability reasons, will be notified after the relevant Forward Capacity Auction has been completed.

(g) Where a Retirement De-List Bid would otherwise clear in the Forward Capacity Auction, but the ISO has determined that some or all of the capacity associated with the de-list bid is needed for fuel security reliability reasons, the provisions of III.13.2.5.2.5(b) shall apply.

(h) Existing Generating Capacity Resources that have had their Retirement De-list Bid rejected for fuel security reliability reasons and that do not elect to unconditionally or conditionally retire shall be eligible for compensation pursuant to Section III.13.2.5.2.5.1, except that the difference between payments based on resource de-list bids or cost-of-service compensation as detailed in Section III.13.2.5.2.5.1 and payments based on the Capacity Clearing Price for the Forward Capacity Market under this Section III.13.2.5.2.5.1 shall be allocated on a regional basis to Real Time Load Obligation, excluding Real-Time Load Obligation associated with Dispatchable Asset Related Demand Resources (DARD Pumps and other electric storage based DARDs) and Real-Time Load Obligation associated with Coordinated External Transactions, allocated and collected over a 12 month period. Resources that are identified as needed for fuel security reliability reasons will have their capacity entered into the Forward Capacity Auction pursuant to III.13.2.5.2.5(g) and III.13.2.3.2(b).

(i) Where an Existing Generating Capacity Resource elects a cost-of-service agreement pursuant to Section III.13.2.5.2.5.1 to address a fuel security reliability need, the term of such a cost-of-service agreement may not exceed two years, including renewal through evergreen provisions. A cost-of-service agreement entered into for the 2024/2025 Capacity Commitment Period shall be limited to a total duration of one year.

(j) The ISO shall perform an annual reevaluation of any Existing Generating Capacity Resources retained for reliability under this provision. If a resource associated with a Retirement De-List Bid that was rejected for reliability reasons pursuant to this section, is found to no longer be needed for fuel security, and is not needed for another reliability reason pursuant to Section III.13.2.5.2.5, the resource will be retired from the system as described in Section III.13.2.5.2.5.3(a)(1). In no case will a resource retained for fuel security be retained for fuel security beyond June 1, 2025.

(k) The ISO will review Retirement De-List Bids rejected for fuel security reliability reasons with the Reliability Committee in the same manner as described in Section III.13.2.5.2.5(h).

III.13.2.5.2.5.1. Compensation for Bids Rejected for Reliability Reasons.

(a) In cases where a Static De-List Bid, Export Bid, Administrative Export De-List Bid, Dynamic De-List Bid, partial Permanent De-List Bid, or partial Retirement De-List Bid has been rejected for reliability reasons pursuant to Sections III.13.1.2.3.1.5.1 or III.13.2.5.2.5, the resource will be paid by the ISO in the same manner as all other capacity resources, except that payment shall be made on the basis of its de-list bid as accepted for the Forward Capacity Auction for the relevant Capacity Commitment Period instead of the Forward Capacity Market Clearing Price. Under this Section, accepted Dynamic De-List Bids filed with the Commission as part of the FCA results filing are subject to review and approval by the Commission pursuant to the “just and reasonable” standard of Section 205 of the Federal Power Act. If a resource with a partial Permanent De-List Bid or partial Retirement De-List Bid continues to be needed for reliability in Capacity Commitment Periods following the Capacity Commitment Period for which the partial Permanent De-List Bid or partial Retirement De-List Bid was rejected, payment will continue to be pursuant to this Section III.13.2.5.2.5.1(a).

(b) In cases where a Permanent De-List Bid or a Retirement De-List Bid for the capacity of an entire resource has been rejected for reliability reasons pursuant to Section III.13.1.2.3.1.5.1 or III.13.2.5.2.5, the resource will be paid either (i) in the same manner as all other capacity resources, except that payment shall be made on the basis of its Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid for the relevant Capacity Commitment Period instead of the Forward Capacity Market Clearing Price or (ii) under the terms of a cost-of-service agreement pursuant to Section III, Appendix I. Resources must notify the ISO of their election within six months after the ISO files the results of the relevant Forward Capacity Auction with the Commission. A resource that has had a Permanent De-List Bid or Retirement De-List Bid rejected for reliability reasons and does not notify the ISO of its election as described in this paragraph will be paid on the basis of the resource’s Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid. Cost-of-service agreements must be filed with and approved by the Commission, and cost-of-service compensation may not commence until the Commission has approved the use of cost-of-service rates for the unit in question or has accepted the use of the cost-of-service rates subject to refund while the rate is reviewed. In no event will payment under the cost-of-service agreement start prior to the start of the relevant Capacity Commitment Period for which the Permanent De-List Bid or Retirement De-List Bid was submitted. If a

resource continues to be needed for reliability in Capacity Commitment Periods following the Capacity Commitment Period for which the Permanent De-List Bid or Retirement De-List Bid was rejected, payment will continue to be pursuant to this Section III.13.2.5.2.5.1(b). Resources that elect payment based on the Commission-approved Permanent De-List Bid or Commission-approved Retirement De-List Bid may file with the Commission pursuant to Section 205 of the Federal Power Act to update its Permanent De-List Bid or Retirement De-List Bid if the unit is retained for reliability for a period longer than the Capacity Commitment Period for which the Permanent De-List Bid or Retirement De-List Bid was originally submitted.

(c) The difference between payments based on resource de-list bids or cost-of-service compensation as detailed in this Section III.13.2.5.2.5.1 and payments based on the market clearing price for the Forward Capacity Market under this Section III.13.2.5.2.5.1 shall be allocated to Regional Network Load within the affected Reliability Region.

(d) **Compensation for Existing Generating Capacity Resources at Stations with Common Costs that are Retained for Reliability.** If a Static De-List Bid, Permanent De-List Bid, or Retirement De-List Bid from an Existing Generating Capacity Resource that is associated with a Station having Common Costs is rejected for reliability reasons, the Existing Generating Capacity Resource will be paid as follows: (i) if one or more Existing Generating Capacity Resources at the Station assume a Capacity Supply Obligation through the normal clearing of the Forward Capacity Auction and one or more Existing Generating Capacity Resources are retained for reliability, then the Existing Generating Capacity Resources retained for reliability will be paid the sum of the Asset-Specific Going Forward Costs for the assets comprising that Existing Generating Capacity Resource; or (ii) if no Existing Generating Capacity Resources at the Station assumes a Capacity Supply Obligation through the normal clearing of the Forward Capacity Auction and one or more Existing Generating Capacity Resources are retained for reliability, then each Existing Generating Capacity Resource retained for reliability will be paid the sum of the Asset-Specific Going Forward Costs for the assets associated with that Existing Generating Capacity Resource plus a portion of the Station Going Forward Common Costs (such that the full amount of Station Going Forward Common Costs are allocated to the Existing Generating Capacity Resources retained for reliability).

(e) If ISO-NE is a party to a cost-of-service agreement filed after January 1, 2019 that changes any resource performance-related obligations contained in Section III, Appendix I (provided that those obligations are different than the obligations of an Existing Generating Capacity Resource with a

Capacity Supply Obligation), no later than 30 days after such agreement is filed with the Commission, ISO-NE shall provide to stakeholders quantitative and qualitative information on the need for, and the impacts of, the proposed changes.

III.13.2.5.2.5.2. Incremental Cost of Reliability Service From Permanent De-List Bid or Retirement De-List Bid Resources.

In cases where an Existing Generating Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource has had a Permanent De-List Bid or Retirement De-List Bid for the entire resource rejected for reliability reasons pursuant to Sections III.13.1.2.3.1.5.1 or III.13.2.5.2.5, does not elect to retire pursuant to Section III.13.1.2.3.1.5.1(d), and must make a capital improvement to the unit to remain in operation in order to continue to operate to meet the reliability need identified by the ISO, the resource may make application to the Commission pursuant to Section 205 of the Federal Power Act to receive just and reasonable compensation of the capital investment pursuant to the following:

- (a) **Notice to State Utility Commissions, the ISO and Stakeholder Committees of Expectation that a Capital Expense will be Necessary to Meet the Reliability Need Identified by the ISO:** A resource seeking to avail itself of the recovery mechanism provided in this Section must notify the state utility commissions in the states where rate payers will fund the capital improvement, the ISO, and the Participants Committee of its intent to make the capital expenditure and the need for the expenditure. This notification must be made at least 120 days prior to the resource making the capital expenditure.
- (b) **Required Showing Made to the Federal Energy Regulatory Commission:** In order to receive just and reasonable compensation for a capital expenditure under this Section, a resource must file an explanation of need with the Commission that explains why the capital expenditure is necessary in order to meet the reliability need identified by the ISO. This showing must demonstrate that the expenditure is reasonably determined to be the least-cost commercially reasonable option consistent with Good Utility Practice to meet the reliability need identified by the ISO. If the resource elects cost-of-service treatment pursuant to Section III.13.2.5.2.5.1(b), the Incremental Cost of Reliability Service filing described in this Section must be made separately from and may be made in advance of the resource's cost-of-service filing.
- (c) **Allocation:** Costs of capital expenditures approved by the Commission under this provision shall be allocated to Regional Network Load within the affected Reliability Region.

III.13.2.5.2.5.3. Retirement and Permanent De-Listing of Resources.

(a)(i) A resource, or portion thereof, will be retired coincident with the commencement of the relevant Capacity Commitment Period, or earlier as described in Section III.13.2.5.2.5.3(a)(ii), if the resource: (1) has an Internal Market Monitor-accepted Retirement De-List Bid at or above the Forward Capacity Auction Starting Price, even considering a full downward adjustment pursuant to Section III.13.1.2.3.1.5(d), and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; (2) submitted a Permanent De-List Bid or Retirement De-List Bid, elected to retire pursuant to Section III.13.1.2.4.1(a), and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; (3) elected conditional treatment pursuant to Section III.13.1.2.4.1(b) for a Retirement De-List Bid with a submitted price at or above the Capacity Clearing Price and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; or (4) had a Commission-approved Retirement De-List Bid clear in the Forward Capacity Auction. In the case of a Retirement De-List Bid rejected for reliability, if the reliability need that resulted in the rejection for reliability is met, the resource, or portion thereof, will be retired coincident with the end of Capacity Supply Obligation (or earlier as described in Section III.13.2.5.2.5.3(a)(ii)) unless the Commission directs that the obligation to retire be removed or the retirement date extended as part of an Incremental Cost of Reliability Service filing made pursuant to Section III.13.2.5.2.5.2. The interconnection rights, or relevant portion thereof, for the resource will terminate and the status of the resource, or portion thereof, will be converted to retired on the date of retirement, consistent with the provisions of Schedules 22 and 23 of the OATT.

(a)(ii) A resource, or portion thereof, that is to be retired pursuant to Section III.13.2.5.2.5.3(a)(i) may retire the resource, or portion thereof, earlier than the Capacity Commitment Period for which its Retirement De-List Bid was submitted if it is able to transfer the relevant Capacity Supply Obligation of the resource to another resource through one or more approved Capacity Supply Obligation Bilateral transactions as described in Section III.13.5.1 or reconfiguration auctions as described in Section III.13.4.1. A resource, or portion thereof, electing to retire pursuant to this provision must notify the ISO in writing of its election to retire and the date of retirement. The interconnection rights, or relevant portion thereof, for the resource will terminate and the status of the resource, or portion thereof, will be converted to retired on the date of retirement, consistent with the provisions of Schedules 22 and 23 of the OATT.

(b)(i) A resource, or portion thereof, will be permanently de-listed from the Forward Capacity Market as of the relevant Capacity Commitment Period, or earlier as described in Section III.13.2.5.2.5.3(b)(ii), if the resource: (1) has an Internal Market Monitor-accepted Permanent De-List Bid at or above the Forward

Capacity Auction Starting Price, even considering a full downward adjustment pursuant to Section III.13.1.2.3.1.5(d), and the resource was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; (2) elected conditional treatment pursuant to Section III.13.1.2.4.1(b) for a Permanent De-List Bid with a submitted price at or above the Capacity Clearing Price and was not retained for reliability pursuant to Section III.13.1.2.3.1.5.1; or (3) had a Commission-approved Permanent De-List Bid clear in the Forward Capacity Auction. The CNR Capability interconnection rights, or relevant portion thereof, for the resource will be adjusted downward to reflect the Permanent De-List Bid, consistent with the provisions of Schedules 22 and 23 of the OATT. A resource that permanently de-lists pursuant to this Section III.13.2.5.2.5.3(b)(i) is precluded from subsequent participation in the Forward Capacity Market unless it qualifies as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2.

(b)(ii) A resource, or portion thereof, that is to be permanently de-listed pursuant to Section III.13.2.5.2.5.3(b)(i) may be permanently de-listed earlier than the Capacity Commitment Period for which its Permanent De-List Bid was submitted if it is able to transfer the entire Capacity Supply Obligation of the resource to another resource through one or more approved Capacity Supply Obligation Bilateral transactions as described in Section III.13.5.1 or reconfiguration auctions as described in Section III.13.4.

(c) A resource that has never been counted as a capacity resource may retire the asset by notifying the ISO in writing of its election to retire and the date of retirement. The date specified for retirement is subject to the limit for resource inactivity set out in Section III.13.2.5.2.5.3(d). The interconnection rights for the resource will terminate and the status of the resource will be converted to retired on the date of retirement.

(d) A resource that does not operate commercially for a period of three calendar years will be deemed by the ISO to be retired. The interconnection rights for the unit will terminate and the status of the unit will be converted to retired on the date of retirement. Where a generator has submitted an application to repower under Schedule 22 or 23 of the OATT, the current interconnection space will be maintained beyond the three years unless the application under Schedule 22 or 23 is withdrawn voluntarily or by the operation of those provisions. Where an application is withdrawn under Schedule 22 or 23, the three year period will be calculated from the last day of commercial operation of the resource.

III.13.2.6. Capacity Rationing Rule.

Except for Dynamic De-List Bids, Export Bids, and offers from New Import Capacity Resources that are subject to rationing pursuant to Section III.13.1.3.5.8 and Existing Import Capacity Resources that are subject to rationing pursuant to Section III.13.1.3.3.A, offers and bids in the Forward Capacity Auction must clear or not clear in whole, unless the offer or bid specifically indicates that it may be rationed. A resource may elect to be rationed to its Rationing Minimum Limit pursuant to Sections III.13.1.1.2.2.3 and III.13.1.2.1.2. Offers from New Import Capacity Resources and Existing Import Capacity Resources will not be rationed where such rationing would violate any applicable physical minimum flow requirements on the associated interface. Export Bids may elect to be rationed generally, but regardless of such election will always be subject to potential rationing where the associated external interface binds. If more Dynamic De-List Bids are submitted at a price than are needed to clear the market, the bids shall be cleared pro-rata, subject to honoring the Rationing Minimum Limit of the resources. Where an offer or bid may be rationed, such rationing may not result in procuring an amount of capacity that is below the associated resource's Rationing Minimum Limit.

III.13.2.7. Determination of Capacity Clearing Prices.

The Capacity Clearing Price in each Capacity Zone shall be the price established by the descending clock auction as described in Section III.13.2.3, subject to the other provisions of this Section III.13.2.7. The Capacity Clearing Price for the Rest-of-Pool Capacity Zone and the Capacity Clearing Price for each import-constrained Capacity Zone shall not exceed the Forward Capacity Auction Starting Price. The Capacity Clearing Price for an export-constrained Capacity Zone shall not be less than zero.

III.13.2.7.1. Import-Constrained Capacity Zone Capacity Clearing Price Floor.

The Capacity Clearing Price in an import-constrained Capacity Zone shall not be lower than the Capacity Clearing Price in the Rest-of-Pool Capacity Zone. If after the Forward Capacity Auction is conducted, the Capacity Clearing Price in an import-constrained Capacity Zone is less than the Capacity Clearing Price in the Rest-of-Pool Capacity Zone, all resources clearing in the import-constrained Capacity Zone shall be paid based on the Capacity Clearing Price in the Rest-of-Pool Capacity Zone during the associated Capacity Commitment Period.

III.13.2.7.2. Export-Constrained Capacity Zone Capacity Clearing Price Ceiling.

The Capacity Clearing Price in an export-constrained Capacity Zone shall not be higher than the Capacity Clearing Price in the Rest-of-Pool Capacity Zone.

The Capacity Clearing Price in a nested Capacity Zone shall not be higher than the Capacity Clearing Price in the Capacity Zone within which it is located.

III.13.2.7.3. [Reserved.]

III.13.2.7.3A. Treatment of Imports.

At the Capacity Clearing Price, if the amount of capacity offered from New Import Capacity Resources and Existing Import Capacity Resources over an interface between an external Control Area and the New England Control Area is greater than that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF):

(a) the full amount of capacity offered at that price from Existing Import Capacity Resources associated with contracts listed in Section III.13.1.3.3.A(c) shall clear, unless that amount of capacity is greater than the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), in which case the capacity offered at that price from Existing Import Capacity Resources associated with contracts listed in Section III.13.1.3.3.A(c) shall be rationed such that the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF) is not exceeded; and

(b) if there is space remaining over the interface after the allocation described in subsection (a) above, then the capacity offered at that price from New Import Capacity Resources and Existing Import Capacity Resources other than Existing Import Capacity Resources associated with the contracts listed in Section III.13.1.3.3.A(c) will be rationed such that the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF) is not exceeded. If the capacity offered at that price by any single New Import Capacity Resource or Existing Import Capacity Resource that is not associated with the contracts listed in Section III.13.1.3.3.A(c) is greater than the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the capacity offered by that resource that is above the interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF) shall not be included in the rationing.

III.13.2.7.4. Effect of Capacity Rationing Rule on Capacity Clearing Price.

Where the requirement that offers and bids clear or not clear in whole (Section III.13.2.6) prohibits the descending clock auction in its normal progression from clearing one or more Capacity Zones at the precise amount of capacity determined by the Capacity Zone Demand Curves specified in Section III.13.2.2, then the auctioneer shall analyze the aggregate supply curve to determine cleared capacity offers and Capacity Clearing Prices that seek to maximize social surplus for the associated Capacity Commitment Period. The clearing algorithm may result in offers below the Capacity Clearing Price not clearing, and in de-list bids below the Capacity Clearing Price clearing.

III.13.2.7.5. Effect of Decremental Repowerings on the Capacity Clearing Price.

Where the effect of accounting for certain repowering offers and bids (as described in Section III.13.2.3.2(e)) results in the auction not clearing at the lowest price for the required quantity of capacity, then the auctioneer will conduct additional auction rounds of the Forward Capacity Auction as necessary to minimize capacity costs.

III.13.2.7.6. Minimum Capacity Award.

Each offer clearing in the Forward Capacity Auction shall be awarded a Capacity Supply Obligation at least as great as the amount of capacity offered at the End-of-Round Price in the final round of the Forward Capacity Auction. For Intermittent Power Resources, the Capacity Supply Obligation for months in the winter period (as described in Section III.13.1.5) shall be adjusted based on its winter Qualified Capacity as determined pursuant to Section III.13.1.1.2.2.6 and Section III.13.1.2.2.2.

III.13.2.7.7. Tie-Breaking Rules.

Where the provisions in this Section III.13.2 for clearing the Forward Capacity Auction (system-wide or in a single Capacity Zone) result in a tie – that is, where two or more resources offer sufficient capacity at prices that would clear the auction at the same minimum costs – the auctioneer shall apply the following rules (in sequence, as necessary) to determine clearing:

- (a) [Reserved.]
- (b) If multiple projects may be rationed, they will be rationed proportionately.
- (c) [Reserved.] (d) The offer associated with the Project Sponsor having the lower market share in the capacity auction (including Existing Capacity Resources) shall be cleared.

III.13.2.8. Capacity Substitution Auctions.

The final substitution auction shall take place for the Forward Capacity Auction associated with the June 1, 2027 to May 31, 2028 Capacity Commitment Period, and no substitution auctions shall be conducted thereafter. Notwithstanding the foregoing, the provisions of Section III.12 of Market Rule 1 and Attachment K to the OATT addressing the manner in which Capacity Supply Obligations acquired or shed through the substitution auction are accounted for in the calculation of the Installed Capacity Requirement and related values and in carrying out the regional system planning process shall continue to have full force and effect.

III.13.2.8.1. Administration of Substitution Auctions.

Following the completion of the primary auction-clearing process of the Forward Capacity Auction as provided for in Section III.13.2, the ISO shall conduct a substitution auction, using a static double auction to clear supply offers (offers to assume a Capacity Supply Obligation) and demand bids (bids to shed a Capacity Supply Obligation). Supply offers and demand bids will be modeled in the Capacity Zone where the associated resources are electrically interconnected.

III.13.2.8.1.1. Substitution Auction Clearing and Awards.

The substitution auction shall maximize total social surplus as specified by the demand bids and supply offers used in the auction. The maximization is constrained as follows:

- (i) By the external interface limits modeled in the primary auction-clearing process.
- (ii) Such that the net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is equal to zero.
- (iii) Such that, for each import-constrained Capacity Zone, if the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction is less than the zone threshold quantity specified below, then the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is equal to zero; otherwise, the sum of the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is greater than or equal to the zone threshold quantity specified below.
- (iv) Such that, for each export-constrained Capacity Zone, if the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction is greater than the zone threshold quantity specified below, then the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction

is equal to zero; otherwise, the sum of the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is less than or equal to the zone threshold quantity specified below.

In applying constraint (iii), the zone threshold quantity for an import-constrained Capacity Zone shall be equal to the sum of its Capacity Zone Demand Curve truncation point quantity specified in Section III.13.2.2.2 and the total quantity of any Export Bids and any Administrative Export De-List Bids for which the exporting resource is located outside the import-constrained Capacity Zone, that are used to export capacity across an external interface connected to the import-constrained Capacity Zone, and that cleared in the primary auction-clearing process of the Forward Capacity Auction.

In applying constraint (iv), the zone threshold quantity for an export-constrained Capacity Zone shall be equal to its Capacity Zone Demand Curve truncation point quantity specified in Section III.13.2.2.3 less the total quantity of any Export Bids and any Administrative Export De-List Bids for which the exporting resource is located in the export-constrained Capacity Zone, including any Export Bids and any Administrative Export De-List Bids in an associated nested export-constrained Capacity Zone, that are used to export capacity across an external interface connected to another Capacity Zone, and that cleared in the primary auction-clearing process of the Forward Capacity Auction.

In applying constraints (iii) and (iv), a zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction and net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction shall include the Capacity Supply Obligations of Import Capacity Resources at each external interface connected to the Capacity Zone.

In applying constraints (iii) and (iv), a zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction shall include the Capacity Supply Obligations awarded to Proxy De-List Bids within the zone, and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction shall include the Capacity Supply Obligations shed from demand bids associated with Proxy De-List Bids within the zone.

In cases in which there are multiple clearing outcomes that would each maximize the substitution auction's objective, the following tie-breaking rules will apply in the following sequence: (i) non-rationable demand bids associated with Lead Market Participants having the largest total FCA Qualified

Capacity of Existing Capacity Resources will be cleared first; and (ii) rationable supply offers will be cleared in proportion to their offer quantity.

For Intermittent Power Resources, other than those participating as the summer resource in a Composite FCM Transaction, the cleared award for supply offers and demand bids shall be adjusted for the months in the winter period (as described in Section III.13.1.5) using the ratio of the resource's cleared offer or bid amount divided by its FCA Qualified Capacity multiplied by its winter Qualified Capacity as determined pursuant to Section III.13.1.1.2.2.6 and Section III.13.1.2.2.2 after removing any portion of the resource's winter Qualified Capacity that is participating in a Composite FCM Transaction.

The cleared offer amount awarded to a Composite FCM Transaction in the substitution auction will be assigned to the summer and winter resources for their respective obligation months during the Capacity Commitment Period as described in Section III.13.1.5.

If, after the substitution auction, a resource has a Capacity Supply Obligation below its Economic Minimum Limit, it must meet the requirements of Section III.13.6.1.1.1.

III.13.2.8.1.2. Substitution Auction Pricing.

The substitution auction will specify clearing prices for Capacity Zones and external interfaces as follows.

For each import-constrained Capacity Zone, if the sum of the zone's total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is greater than its zone threshold quantity specified in Section III.13.2.8.1.1, then supply offers and demand bids in the substitution auction in the import-constrained Capacity Zone shall be treated as offers and bids in the Rest-of-Pool Capacity Zone for purposes of determining substitution auction clearing prices.

For each export-constrained Capacity Zone,

- (i) if the sum of the zone's total Capacity Supply Obligations, including Capacity Supply Obligations in a nested Capacity Zone, awarded in the primary auction-clearing process of the Forward Capacity Auction and the zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction including net cleared Capacity Supply Obligations in the nested Capacity Zone is less than its zone threshold quantity specified in Section III.13.2.8.1.1, then supply offers and demand bids in the substitution

auction in the export-constrained Capacity Zone (excluding supply offers and demand bids in the nested Capacity Zone that are not treated as offers and bids in the export-constrained Capacity Zone pursuant to Section III.13.2.8.1.2(ii)) shall be treated as offers and bids in the Rest-of-Pool Capacity Zone for purposes of determining substitution auction clearing prices.

- (ii) if the sum of a nested Capacity Zone's Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction and the nested Capacity Zone's net cleared Capacity Supply Obligations (total acquired less total shed) in the substitution auction is less than its zone threshold quantity specified in Section III.13.2.8.1.1, then supply offers and demand bids in the substitution auction in the nested Capacity Zone shall be treated as offers and bids in the export-constrained Capacity Zone within which the nested Capacity Zone is located, for purposes of determining substitution auction clearing prices.

The substitution auction clearing prices for the Rest-of-Pool Capacity Zone and for any constrained zones pooled with the Rest-of-Pool Capacity Zone for pricing purposes shall be determined by the price of the demand bid or supply offer that is marginal. If a demand bid associated with a Proxy De-List Bid is marginal, then the substitution auction clearing prices shall be set equal to the Capacity Clearing Prices.

The substitution auction clearing price for a constrained Capacity Zone that is not pooled with the Rest-of-Pool Capacity Zone for pricing purposes shall be determined by the price of the demand bid or supply offer associated with the separately-priced constrained Capacity Zone that is marginal. If a demand bid associated with a Proxy De-List Bid is marginal, then the substitution auction clearing price shall be set equal to the Capacity Clearing Price for the constrained Capacity Zone.

The substitution auction clearing price for a nested export-constrained Capacity Zone that is not pooled with the export-constrained Capacity Zone in which it is located for pricing purposes shall be determined by the price of the demand bid or supply offer that is marginal in the nested export-constrained Capacity Zone. If a demand bid associated with a Proxy De-List Bid is marginal, then the substitution auction clearing price for the nested export-constrained Capacity Zone shall be equal to the Capacity Clearing Price for that nested export-constrained Capacity Zone.

If the net quantity of Capacity Supply Obligations awarded in the primary Forward Capacity Auction and substitution auction over an interface between the New England Control Area and an external Control

Area is less than that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then supply offers and demand bids in the substitution auction at the interface shall be treated as offers and bids in the modeled Capacity Zone associated with that interface for purposes of determining substitution auction clearing prices.

If the net quantity of Capacity Supply Obligations awarded in the primary Forward Capacity Auction and substitution auction over an interface between the New England Control Area and an external Control Area is equal to that interface's approved capacity transfer limit (net of tie benefits, or net of HQICC in the case of the Phase I/II HVDC-TF), then the substitution auction clearing price for that interface will be determined by the demand bid or supply offer that is marginal at that interface. If a cleared demand bid associated with a Proxy De-List Bid is marginal at the external interface, then the substitution auction clearing price for that interface shall be set equal to the Capacity Clearing Price for that interface.

The substitution auction clearing price for an import-constrained Capacity Zone where the total Capacity Supply Obligations awarded in the primary action-clearing process of the Forward Capacity Auction are greater than or equal to the zone's threshold quantity specified in Section III.13.2.8.1.1 shall not be lower than the substitution auction clearing price for the Rest-of-Pool Capacity Zone.

The substitution auction clearing price for an export-constrained Capacity Zone that is not a nested export-constrained Capacity Zone, where the total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction are less than or equal to the zone's threshold quantity specified in Section III.13.2.8.1.1 shall not exceed the substitution auction clearing price for the Rest-of-Pool Capacity Zone.

The substitution auction clearing price for a nested export-constrained Capacity Zone where the total Capacity Supply Obligations awarded in the primary auction-clearing process of the Forward Capacity Auction are less than or equal to the zone's threshold quantity specified in Section III.13.2.8.1.1 shall not exceed the substitution auction clearing price for the Capacity Zone within which it is located.

The substitution auction clearing price at an external interface shall not exceed the substitution auction clearing price in the Capacity Zone connected to the external interface.

If, pursuant to the rules specified above, the substitution auction clearing price for any Capacity Zone or external interface would exceed the Capacity Clearing Price for that location, the substitution auction clearing price for that location only is set equal to its Capacity Clearing Price.

The substitution auction clearing price for any Capacity Zone or external interface cannot be less than negative one multiplied by the Forward Capacity Auction Starting Price.

III.13.2.8.2. Supply Offers in the Substitution Auction.

III.13.2.8.2.1. Supply Offers.

To participate as supply in the substitution auction, a Project Sponsor for a New Capacity Resource must meet the following criteria:

- (a) The Project Sponsor and the New Capacity Resource must meet all the requirements for participation in the Forward Capacity Auction specified in Section III.13.1.
- (b) The Project Sponsor must elect to have the resource participate in the substitution auction during the New Capacity Show of Interest Window. Pursuant to an election, the resource's total amount of FCA Qualified Capacity that qualifies as a New Capacity Resource will be obligated to participate in the substitution auction, including any capacity of a Renewable Technology Resource that was not qualified due to proration pursuant to Section III.13.1.1.2.10(a), and subject to the other provisions of this Section III.13.2.8.2.
- (c) The Project Sponsor must certify that the New Capacity Resource is a Sponsored Policy Resource as part of the submission of the New Capacity Qualification Package.

Substitution auction supply offers are rationable.

A resource participating in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2 (resources previously counted as capacity resources) is not eligible to participate as supply in the substitution auction. A resource is not eligible to participate as supply in the substitution auction if it has submitted a demand bid for the substitution auction.

A Composite FCM Transaction comprised of a summer resource that is a Sponsored Policy Resource is eligible to participate as supply in the substitution auction.

III.13.2.8.2.2. Supply Offer Prices.

Project Sponsors must submit substitution auction supply offer prices no later than five Business Days after the deadline for submission of offers composed of separate resources.

A substitution auction supply offer must be in the form of a curve (with up to five price-quantity pairs). The curve may not decrease in quantity as the price increases. A supply offer price for the substitution auction may not be greater than the Forward Capacity Auction Starting Price or lower than negative one multiplied by the Forward Capacity Auction Starting Price.

If the offer quantity does not equal the resource's FCA Qualified Capacity, the quantity for which no offer price was submitted will be assigned a price equal to the Forward Capacity Auction Starting Price.

III.13.2.8.2.3. Supply Offers Entered into the Substitution Auction

Supply offers for resources that satisfy all of the criteria in Section III.13.2.8.2.1 to participate in the substitution auction may be adjusted prior to conducting the substitution auction-clearing process using the following adjustments:

- (a) Any portion of a resource's FCA Qualified Capacity that was cleared (received a Capacity Supply Obligation) in the primary auction-clearing process will be removed from the resource's substitution auction supply offer beginning with the lowest priced price-quantity pairs.
- (b) After performing the adjustment specified in Section III.13.2.8.2.3(a), any price-quantity pairs in a resource's substitution auction supply offer with a price greater than the Capacity Clearing Price for the resource's Capacity Zone or external interface are removed from the offer.

III.13.2.8.3. Demand Bids in the Substitution Auction.

III.13.2.8.3.1. Demand Bids.

Market Participants with Existing Generating Capacity Resources or Existing Import Capacity Resources associated with External Elective Transmission Upgrades may elect to submit demand bids for the substitution auction for those resources by the Existing Capacity Retirement Deadline. The election must specify the total amount of the resource's Qualified Capacity that will be associated with its demand bid.

A resource, including any portion of an existing resource that qualifies as a New Capacity Resource, must have achieved FCM Commercial Operation no later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.2.4(b) in order to participate as demand in the substitution auction.

Regardless of whether an election is made, a demand bid is required for any portion of a resource that is associated with a Retirement De-List Bid, provided that the entire resource has achieved FCM Commercial Operation no later than seven days after the issuance by the ISO of the qualification determination notification described in Section III.13.1.2.4(b).

A resource for which a demand bid election has been made cannot participate in a Composite FCM Transaction, cannot be designated as a Self-Supplied FCA Resource, and will not have incremental summer or winter capacity that does not span the entire Capacity Commitment Period subjected to the treatment specified in Section III.13.1.1.1.3.A.

Demand bids are non-rationable.

A demand bid will be entered into the substitution auction for the portion of the resource that receives a Capacity Supply Obligation in the primary auction-clearing process, subject to the other provisions of this Section III.13.2.8.3. A resource, or portion thereof, associated with a cleared demand bid shall be retired from all New England Markets at the start of the Capacity Commitment Period associated with the Forward Capacity Auction.

III.13.2.8.3.2. Demand Bid Prices.

Market Participants must submit substitution auction demand bid prices no later than five Business Days after the deadline for submission of offers composed of separate resources.

A substitution auction demand bid must be in the form of a curve (with up to five price-quantity pairs). The curve may not decrease in quantity as the price decreases. A demand bid price for the substitution auction may not be greater than the Forward Capacity Auction Starting Price or lower than negative one multiplied by the Forward Capacity Auction Starting Price.

If the bid quantity does not equal the total bid amount submitted by the Market Participant or required for a Retirement De-List Bid pursuant to Section III.13.2.8.3.1, the quantity for which no bid price was specified will be assigned a price equal to negative one multiplied by the Forward Capacity Auction Starting Price.

For auctions associated with a Capacity Commitment Period that begins on or after June 1, 2023, Market Participants may elect either of the demand bid adjustment methods specified in Section III.13.2.8.3.3(b) for the resource by no later than five Business Days after the deadline for submission of offers composed of separate resources. If no such election is made, the adjustment applied shall be the method specified in Section III.13.2.8.3.3(b)(i).

III.13.2.8.3.3. Demand Bids Entered into the Substitution Auction.

If a resource is determined to be needed for reliability pursuant to Section III.13.2.5.2.5, then any demand bid associated with the resource will not be further included in the substitution auction.

Demand bids for resources that satisfy all of the criteria in Section III.13.2.8.3.1 to participate in the substitution auction will be adjusted prior to conducting the substitution auction-clearing process using the following adjustments:

- (a) For the substitution auction associated with the Capacity Commitment Period beginning on June 1, 2022, any portion of a resource's demand bid that exceeds its Capacity Supply Obligation awarded in the primary auction-clearing process will be removed from the substitution auction demand bid beginning with the highest priced price-quantity pairs.
- (b) For substitution auctions associated with a Capacity Commitment Period that begins on or after June 1, 2023, a resource's demand bid will be adjusted using one of the following methods as elected pursuant to Section III.13.2.8.3.2:
 - (i) The portion of a resource's capacity that did not receive a Capacity Supply Obligation in the primary auction-clearing process will be removed from the substitution auction demand bid beginning with the highest priced price-quantity pair.
 - (ii) Any portion of a resource's demand bid that exceeds its Capacity Supply Obligation awarded in the primary auction-clearing process will be removed from the substitution auction demand bid beginning with the lowest priced price-quantity pair.

(c) After performing the modification specified in Sections III.13.2.8.3.3(a) or III.13.2.8.3.3(b), any price-quantity pairs in a resource's substitution auction demand bid with a price greater than the Capacity Clearing Price for the resource's Capacity Zone or external interface will have its price reduced to the Capacity Clearing Price for the resource's Capacity Zone or external interface.

Except as provided in Section III.13.2.5.2.1(c), a rationable demand bid will be entered into the substitution auction on behalf of any Proxy De-List Bid associated with a Permanent De-List Bid or Retirement De-List Bid. The demand bid quantity will equal the portion of the Proxy De-List Bid that was not cleared (received a Capacity Supply Obligation) in the first run of the primary auction-clearing process. The demand bid will have priority to clear before non-rationable demand bids.

III.13.3. Critical Path Schedule Monitoring.

III.13.3.1. Resources Subject to Critical Path Schedule Monitoring.

III.13.3.1.1. New Resources Electing Critical Path Schedule Monitoring.

A Project Sponsor that submits a critical path schedule for a New Capacity Resource in the qualification process may request that the ISO monitor that resource's compliance with its critical path schedule in accordance with the provisions of this Section III.13.3. The ISO will monitor the New Capacity Resource's compliance from the time the ISO approves the request until the resource achieves FCM Commercial Operation, loses its Capacity Supply Obligation pursuant to Section III.13.3.4A, or withdraws from critical path schedule monitoring pursuant to Section III.13.3.6.

In addition, a Lead Market Participant with a New Import Capacity Resource backed by one or more existing External Resources seeking to qualify for Capacity Commitment Period(s) prior to the Capacity Commitment Period associated with the Forward Capacity Auction for which it is qualifying must request monitoring under this Section III.13.3.1.1.

A request under this Section III.13.3.1.1 must be made in writing no later than five Business Days after the deadline for submission of the FCM Deposit pursuant to Section III.13.1.9.1.

III.13.3.1.2. New Resources Clearing in the Forward Capacity Auction.

For each new resource required to submit a critical path schedule in the qualification process, including but not limited to a New Generating Capacity Resource (pursuant to Section III.13.1.1.2.2), a New Import Capacity Resource backed by a new External Resource (pursuant to Section III.13.1.3.5), a New Demand Capacity Resource (pursuant to Section III.13.1.4), or New Distributed Energy Capacity Resource (pursuant to Section III.13.1.4A), if capacity from that resource clears in the Forward Capacity Auction, then the ISO shall monitor that resource's compliance with its critical path schedule in accordance with the provisions of this Section III.13.3 (regardless of whether the Project Sponsor requested monitoring pursuant to Section III.13.3.1.1) from the time that the Forward Capacity Auction is conducted until the resource achieves FCM Commercial Operation, loses its Capacity Supply Obligation pursuant to Section III.13.3.4A, or withdraws from critical path schedule monitoring pursuant to Section III.13.3.6.

III.13.3.1.3. New Resources Not Offering or Not Clearing in the Forward Capacity Auction.

If no capacity from a new resource that was required to submit a critical path schedule in the qualification process clears in the Forward Capacity Auction, or if such a resource does not submit an offer in the Forward Capacity Auction, then the ISO shall not monitor that resource's compliance with its critical path schedule after the Forward Capacity Auction unless the Project Sponsor previously requested pursuant to Section III.13.3.1.1 that the ISO continue to monitor that resource's compliance with its critical path schedule.

III.13.3.2. Quarterly Critical Path Schedule Reports.

For each new resource that is being monitored for compliance with its critical path schedule, the Project Sponsor for that resource must provide a written critical path schedule report to the ISO no later than five Business Days after the end of each calendar quarter. If the Project Sponsor does not provide a written critical path schedule report to the ISO by the fifth Business Day after the end of the calendar quarter, then the ISO shall issue a notice thereof to the Project Sponsor. If the Project Sponsor fails to provide the critical path schedule report within five Business Days of issuance of that notice, then the resource will be subject to termination pursuant to Section III.13.3.4A. Each critical path schedule report shall include the following:

III.13.3.2.1. Updated Critical Path Schedule.

The critical path schedule report must include a complete updated version of the critical path schedule as described in Section III.13.1.1.2.2.2, dated contemporaneously with the submission of the critical path schedule report. The updated critical path schedule should clearly indicate if the Project Sponsor is proposing to change any of the milestones or dates from the previously submitted version of the critical path schedule, and must include an explanation of any such proposed changes. In the critical path schedule report, the Project Sponsor should also explain in detail any proposed changes to the project design and the potential impact of such changes on the amount of capacity the resource will be able to provide.

III.13.3.2.2. Documentation of Milestones Achieved.

(a) For all new resources except for Demand Capacity Resources installed at multiple facilities and Demand Capacity Resources from a single facility with a demand reduction value of less than 5 MW (discussed in Section III.13.3.2.2(b)) and Distributed Energy Capacity Resources with all Retail Delivery Points and facilities at the point of interconnection having in the aggregate a demand reduction value and net injection capability of less than 5 MW (discussed in Section III.13.3.2.2(c)), for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Project

Sponsor must include in the critical path schedule report documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

- (i) **Major Permits.** For each major permit described in the critical path schedule, the Project Sponsor shall provide documentation showing that the permit was applied for and obtained as described in the critical path schedule. For permit applications, this documentation could include a dated copy of the permit application or cover letter requesting the permit. For approved permits, this documentation could include a dated copy of the approved permit or letter granting the permit from the permitting authority.
- (ii) **Project Financing Closing.** The Project Sponsor shall provide documentation showing that the sources of financing identified in the critical path schedule have committed to provide the amount of financing described in the critical path schedule. This documentation could include copies of commitment letters from the sources of financing.
- (iii) **Major Equipment Orders.** For each major component described in the critical path schedule, the Project Sponsor shall provide documentation showing that the equipment was ordered as described in the critical path schedule. This documentation should include a copy of a dated confirmation of the order from the manufacturer or supplier. This documentation should confirm scheduled delivery dates consistent with milestone Section III.13.3.2.2(a)(vi).
- (iv) **Substantial Site Construction.** The Project Sponsor shall provide documentation showing that the amount of money expended on construction activities occurring on the project site has exceeded 20 percent of the construction financing costs.
- (v) **Major Equipment Delivery.** For each major component described in the critical path schedule, the Project Sponsor shall provide documentation showing that the equipment was delivered to the project site and received as preliminarily acceptable as described in the critical path schedule. This documentation should include a copy of a dated confirmation of delivery to the project site.
- (vi) **Major Equipment Testing.** For each major component described in the critical path schedule, the Project Sponsor shall provide documentation showing that the component was

tested, including major systems testing as appropriate for the specific technology as described in the critical path schedule, and that the test results demonstrate the equipment's suitability to allow, in conjunction with other major components, subsequent operation of the project in accordance with the amount of capacity obligated from the resource in the Capacity Commitment Period in accordance with Good Utility Practice. This documentation could include a dated copy of the satisfactory test results.

(vii) **Commissioning.** The Project Sponsor shall provide documentation showing that the resource has demonstrated a level of performance equal to or greater than the amount of capacity obligated from the resource in the Capacity Commitment Period. This documentation should include a copy of a dated letter of confirmation from the applicable manufacturer, contractor, or installer.

(viii) **Commercial Operation.** The Project Sponsor is not required to provide documentation of Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) to the ISO as part of the ISO's critical path schedule monitoring. The ISO shall confirm that the resource has achieved Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) as described in the critical path schedule through the resource's compliance with the other relevant requirements of the Transmission, Markets and Services Tariff and the ISO New England System Rules.

(ix) **Transmission Upgrades.** The Project Sponsor shall provide documentation showing that all interconnection facilities and upgrades identified for the project associated with the resource in a Transitional Cluster Study, Cluster Study, or Cluster Restudy (conducted pursuant to Section 7.5 of Schedule 22, Section 7.5 of Schedule 23, or Section 7.5 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff), or interconnection request or agreement under applicable state tariff, rules or procedures, have been completed.

(b) For Demand Capacity Resources installed at multiple facilities and Demand Capacity Resources from a single facility with a demand reduction value of less than 5 MW, for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Project Sponsor must include in the critical path schedule report documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

(i) **Substantial Project Completion.** The Project Sponsor shall provide documentation showing the total offered demand reduction value achieved as of target dates which are: (a) the cumulative percentage of total demand reduction value achieved on target date 1 occurring five weeks prior to the first Forward Capacity Auction after the Forward Capacity Auction in which the Demand Capacity Resource supplier's capacity award was made; (b) the cumulative percentage of total demand reduction value achieved on target date 2 occurring five weeks prior to the second Forward Capacity Auction after the Forward Capacity Auction in which the Demand Capacity Resource supplier's capacity award was made; and (c) target date 3 which is the date the resource is expected to be ready to demonstrate to the ISO that the Demand Capacity Resource described in the Project Sponsor's New Demand Capacity Resource Qualification Package has achieved its full demand reduction value, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100 percent of the total demand reduction value must be complete.

(ii) **Additional Requirements.** For each customer and each prospective customer the Project Sponsor shall provide: name, location, MW amount, and description of stage of negotiation. If the customer's Asset has been registered with the ISO, then the Project Sponsor shall also provide the Asset identification number.

(c) For Distributed Energy Capacity Resources with all Retail Delivery Points and facilities at the point of interconnection having in the aggregate a demand reduction value and net injection capability of less than 5 MW, for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Project Sponsor must include in the critical path schedule report documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

(i) **Substantial Project Completion.** The Project Sponsor shall provide documentation showing the total offered demand reduction value and net injection capability achieved as of target dates which are: (a) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 1 occurring five weeks prior to the first Forward Capacity Auction after the Forward Capacity Auction in which the Distributed Energy Capacity Resource supplier's capacity award was made; (b) the cumulative percentage of total demand reduction value and net injection capability achieved on target date 2 occurring five weeks prior to the second Forward Capacity Auction after the Forward Capacity Auction in which the

Distributed Energy Capacity Resource supplier's capacity award was made; and (c) target date 3 which is the date the resource is expected to be ready to demonstrate to the ISO that the Distributed Energy Capacity Resource described in the Project Sponsor's New Distributed Energy Capacity Resource Qualification Package has achieved its full demand reduction value and net injection capability, which must be on or before the first day of the relevant Capacity Commitment Period and by which date 100 percent of the total demand reduction value and net injection capability must be complete.

(ii) **Additional Requirements.** For each customer and each prospective customer the Project Sponsor shall provide: name, location, MW amount, and description of stage of negotiation. If the customer's Distributed Energy Resource Aggregation has been registered with the ISO, then the Project Sponsor shall also provide the Distributed Energy Resource Aggregation identification number.

III.13.3.2.3. Additional Relevant Information.

The Project Sponsor must include in the critical path schedule report any other information regarding the status or progress of the project or any of the project milestones that might be relevant to the ISO's evaluation of the feasibility of the project being built in accordance with the critical path schedule or the feasibility that the project will achieve all its critical path schedule milestones no later than the start of the relevant Capacity Commitment Period.

III.13.3.2.4. Additional Information for Resources Previously Counted As Capacity.

For each resource participating in the Forward Capacity Auction as a New Generating Capacity Resource pursuant to Sections III.13.1.1.1.2, III.13.1.1.1.3, or III.13.1.1.1.4, a New Demand Capacity Resource pursuant to Section III.13.1.4.1, or a New Distributed Energy Capacity Resource pursuant to Section III.13.1.4A and clearing in that auction, the Project Sponsor must provide information in the critical path schedule report demonstrating: (a) the shedding of the resource's Capacity Supply Obligation in accordance with the provisions of Section III.13.1.1.2.2.5(c); and (b) that the relevant cost threshold (described in Sections III.13.1.1.1.2, III.13.1.1.1.3, and III.13.1.1.1.4) is being met.

III.13.3.3. Failure to Meet Critical Path Schedule.

If the ISO determines that any critical path schedule milestone date has been missed, or if the Project Sponsor proposes a change to any milestone date in a quarterly critical path schedule report (as described in Section III.13.3.2.1), then the ISO shall consult with the Project Sponsor to determine the impact of the

missed milestone or proposed revision, and shall determine a revised date for the milestone and for any other milestones affected by the change. If a milestone date is revised for any reason, the ISO may require the Project Sponsor to submit a written report to the ISO on the fifth Business Day of each month until the revised milestone is achieved detailing the progress toward meeting the revised milestone. If the Project Sponsor does not provide a written critical path schedule report to the ISO on the fifth Business Day of a month, then the ISO shall issue a notice thereof to the Project Sponsor. If the Project Sponsor fails to provide the critical path schedule report within five Business Days of issuance of that notice, then the resource will be subject to termination pursuant to Section III.13.3.4A. Such a monthly reporting requirement, if imposed, shall be in addition to the quarterly critical path schedule reports described in Section III.13.3.2.

III.13.3.4. Covering Capacity Supply Obligations.

(a) If a capacity supplier determines that a resource may not be able to demonstrate its ability to deliver the full amount of its Capacity Supply Obligation, the capacity supplier may take actions to cover all or part of the Capacity Supply Obligation for any portion of the Capacity Commitment Period, as follows:

(i) A capacity supplier may cover its Capacity Supply Obligation through reconfiguration auctions as described in Section III.13.4.

(ii) A capacity supplier may cover its Capacity Supply Obligation through one or more Capacity Supply Obligation Bilaterals, subject to the satisfaction of the requirements in Section III.13.5.

(iii) A capacity supplier that has qualified a resource pursuant to Section III.13.1.1.1.2 may cover its Capacity Supply Obligation by electing, no later than ten Business Days prior to the offer and bid deadline for the third annual reconfiguration auction prior to the start of the applicable Capacity Commitment Period, to have the resource that was previously counted as a capacity resource cover the Capacity Supply Obligation of the New Generating Capacity Resource for up to two Capacity Commitment Periods. If an election is made to have the resource that was previously counted as a capacity resource cover the Capacity Supply Obligation of the New Generating Capacity Resource, the capacity supplier with the resource that was previously counted as a capacity resource shall be required to comply with the requirements set

forth in Section III.13.6.1 so long as it continues to cover for the New Generating Capacity Resource.

(b) During a Capacity Commitment Period, a failure to cover charge will apply to any capacity resource that has not demonstrated the ability to deliver the full amount of its Capacity Supply Obligation by the end of an Obligation Month. The failure to cover charge is the difference between a resource's monthly Capacity Supply Obligation and its Maximum Demonstrated Output, multiplied by the Failure to Cover Charge Rate, where:

Maximum Demonstrated Output Period

Maximum Demonstrated Output Period is the period beginning six years prior to the start of the applicable Capacity Commitment Period and ending with the most recently completed calendar month in the Capacity Commitment Period, including all prior months in the Capacity Commitment Period.

Provided that, for a resource that has previously been counted as a capacity resource and for which an election has been made to participate as a New Generating Capacity Resource pursuant to Section III.13.1.1.1.2, and for which a cover election has been made pursuant to Section III.13.3.4(a)(iii), then: (1) the Maximum Demonstrated Output Period will be the Maximum Demonstrated Output Period of the resource that has been previously counted as capacity, and; (2) the Maximum Demonstrated Output Period of the New Generating Capacity Resource will begin on the earlier of: (i) the date that the resource that has previously been counted as a capacity resource began any outage as provided in Section III.13.1.1.1.2, and; (ii) the date that the New Generating Capacity Resource commenced Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff).

Failure to Cover Charge Rate

For Capacity Commitment Periods beginning prior to June 1, 2022, the Failure to Cover Charge Rate for a Capacity Zone is the higher of the Capacity Clearing Price and the clearing price in any annual reconfiguration auction for that Capacity Commitment Period.

For Capacity Commitment Periods beginning on or after June 1, 2022, the Failure to Cover Charge Rate for a Capacity Zone is the price determined by a second clearing of the third annual reconfiguration auction prior to the start of the Capacity Commitment Period in which the

aggregated zonal quantities of undemonstrated Capacity Supply Obligation, as of the completion of the third annual reconfiguration auction, and as determined pursuant to Section III.13.3.4 (b), are included as demand bids at the Forward Capacity Auction Starting Price for each applicable Capacity Zone.

Provided that, if an existing resource is covering for a New Generating Capacity Resource pursuant to Section III.13.3.4(a)(iii), then the undemonstrated Capacity Supply Obligation for the New Generating Capacity Resource is the difference between the existing resource's Maximum Demonstrated Output and the new resource's Capacity Supply Obligation.

Maximum Demonstrated Output

The Maximum Demonstrated Output is the sum of the highest output levels achieved by each Generator Asset associated with a Generating Capacity Resource, each Demand Response Asset associated with an Active Demand Capacity Resources, assets associated with a Seasonal Peak Demand Resource or On-Peak Demand Resource, and each Distributed Energy Resource Aggregation associated with a Distributed Energy Capacity Resources during the Maximum Demonstrated Output Period as specified below. The minimum Maximum Demonstrated Output for all assets is zero.

Provided that, if a resource that was previously counted as capacity is covering for a New Generating Capacity Resource pursuant to Section III.13.3.4(a)(iii), then the Maximum Demonstrated Output is the sum of the highest aggregate output level achieved by each asset associated with the resource that has previously been counted as capacity during the Maximum Demonstrated Output Period.

At the asset level, Maximum Demonstrated Output is calculated as follows:

Demand Response Assets associated with an Active Demand Capacity Resource: The Maximum Demonstrated Output for dates occurring prior to June 1, 2018 is the highest audit value in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses. The Maximum Demonstrated Output for dates occurring on or after to June 1, 2018 will be equal to the highest demand reduction calculated, pursuant to Section III.8.4, in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses for non-Net Supply.

Distributed Generation associated with a Seasonal Peak Demand Resource or an On-Peak

Demand Resource: The Maximum Demonstrated Output is the highest hourly metered output in the Maximum Demonstrated Output Period after the resource has completed testing and has achieved commercial operation, increased by average avoided peak transmission and distribution losses for non-Net Supply.

Load Management associated with a Seasonal Peak Demand Resource or an On-Peak

Demand Resource: The Maximum Demonstrated Output is the highest hourly demand reduction value in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses for non-Net Supply.

Energy Efficiency associated with a Seasonal Peak Demand Resource or an On-Peak

Demand Resource: The Maximum Demonstrated Output is the highest reported monthly performance value in the Maximum Demonstrated Output Period increased by average avoided peak transmission and distribution losses.

Generator Assets: The Maximum Demonstrated Output for dates occurring prior to March 1, 2017 is the highest hourly Revenue Quality Metering in the Maximum Demonstrated Output Period beginning on or after Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff). The Maximum Demonstrated Output for dates occurring on or after March 1, 2017 is the highest Metered Quantity for Settlement in the Maximum Demonstrated Output Period beginning on or after Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff).

If a single Generator Asset is split into two or more new Generator Assets, the Maximum Demonstrated Output associated with the single Generation Asset will be prorated among the new assets based on their summer maximum net output. If multiple Generator Assets are consolidated to fewer assets, the Maximum Demonstrated Output of the Generator Assets that are being consolidated will be allocated to the consolidated assets based on the summer maximum net output.

Import Capacity Resources: For an Import Capacity Resource that is backed by external generation that has not achieved commercial operation at the time of qualification, in part or entirely, the Maximum Demonstrated Output is the highest revenue quality metered output for a five-minute or greater interval after the resource has completed testing and has achieved commercial operation. Provided that, the Maximum Demonstrated Output of an Import Capacity Resource associated with an Elective Transmission Upgrade may be limited by the highest demonstrated capability of the Elective Transmission Upgrade after the Elective Transmission Upgrade has completed testing and has achieved commercial operation.

Distributed Energy Resource Aggregations associated with a Distributed Energy Capacity Resource: The Maximum Demonstrated Output is the sum of the highest output levels achieved by each asset associated with the Distributed Energy Capacity Resource during the Maximum Demonstrated Output Period, pursuant to Section III.13.3.4.

III.13.3.4A Termination of Capacity Supply Obligations.

If a Project Sponsor fails to comply with the requirements of Sections III.13.3.2 or III.13.3.3, or if a Project Sponsor covers a Capacity Supply Obligation for two Capacity Commitment Periods, or if, as a result of milestone date revisions, the date by which a resource will have achieved all its critical path schedule milestones is more than two years after the beginning of the Capacity Commitment Period for which the resource first received a Capacity Supply Obligation, then the ISO, after consultation with the Project Sponsor, shall have the right, through a filing with the Commission, to terminate the resource's Capacity Supply Obligation for any future Capacity Commitment Periods and the resource's right to any payments associated with that Capacity Supply Obligation in the Capacity Commitment Period, and to adjust the resource's qualified capacity for participation in the Forward Capacity Market; provided that, where a Project Sponsor voluntarily withdraws its resource from critical path schedule monitoring in accordance with Section III.13.3.6, no filing with the Commission shall be necessary to terminate the resource's Capacity Supply Obligation. Upon Commission ruling, the Project Sponsor shall forfeit any financial assurance provided with respect to that Capacity Supply Obligation. If in these circumstances, however, the ISO does not take steps to terminate the resource's Capacity Supply Obligation and instead permits the Project Sponsor to continue to cover its Capacity Supply Obligation, such continuation shall be subject to the ISO's right to revoke that permission and to file with the Commission to terminate the resource's Capacity Supply Obligation, and subject to continued reporting by the Project Sponsor as described in this Section III.13.3.

If a resource's Capacity Supply Obligation that was acquired in a substitution auction at a negative price is withdrawn or terminated, the Project Sponsor shall remain obligated for any settlement charges associated with the terminated Capacity Supply Obligation for the Capacity Commitment Period.

III.13.3.5. Termination of Interconnection Agreement.

If the ISO terminates, or files with the Commission to terminate, a resource's Capacity Supply Obligation as described in Section III.13.3.4A, the ISO shall have the right to terminate the Interconnection Agreement with that resource through a filing with the Commission and upon Commission ruling. If the Project Sponsor continues to cover all of its Capacity Supply Obligations while challenging such termination before the Commission, it shall retain its Queue Position.

III.13.3.6. Withdrawal from Critical Path Schedule Monitoring.

A Project Sponsor may withdraw its resource from critical path schedule monitoring by the ISO at any time by submitting a written request to the ISO. The ISO also may deem a resource withdrawn from critical path schedule monitoring if the Project Sponsor does not adhere to the requirements of this Section III.13.3. Any resource withdrawn from critical path schedule monitoring shall be subject to the provisions of Section III.13.3.4A.

III.13.3.7 Request to Defer Capacity Supply Obligation

A resource that has not yet achieved FCM Commercial Operation and that is subject to critical path schedule monitoring by the ISO pursuant to this Section III.13.3 may seek to defer the applicability of its entire Capacity Supply Obligation by one year pursuant to the provisions of this Section III.13.3.7.

A Project Sponsor seeking such a deferral must notify the ISO in writing no later than the first Business Day in September of the year prior to the third annual reconfiguration auction for the Capacity Commitment Period in which the resource has a Capacity Supply Obligation. If, after consultation with the Project Sponsor, the ISO determines that the absence of the capacity in the first Capacity Commitment Period in which the resource has a Capacity Supply Obligation, as well as in the subsequent Capacity Commitment Period, would result in the violation of any NERC or NPCC (or their successors) criteria or of the ISO New England System Rules, not solely that it may result in the procurement of less capacity than the Installed Capacity Requirement (net of HQICCs) or the Local Sourcing Requirement for the Capacity Zone, then the ISO will review the specific reliability need with and seek feedback from the Reliability Committee and provide the Project Sponsor with a written determination to that effect within 30 days of the Project Sponsor's notification to the ISO.

If the ISO provides such a written determination, then the Project Sponsor may file with the Commission, no later than the first Business Day in November of the year prior to the third annual reconfiguration auction, a request to defer the applicability of its Capacity Supply Obligation by one year. Any such filing must include the ISO's written determination, and must also demonstrate that the deferral is critical to the resource's ability to achieve FCM Commercial Operation and that the reasons for the deferral are beyond the control of the Project Sponsor.

If the Commission approves the request, all of the rights, obligations, payments, and charges associated with the Capacity Supply Obligation described in Sections III.13.3.4(b), III.13.6 and III.13.7 shall only apply beginning one year after the start of the Capacity Commitment Period in which the resource has a Capacity Supply Obligation. Notwithstanding any other provision of this Section III.13, if the resource achieves FCM Commercial Operation prior to the deferred date, it will not be eligible to receive revenue in the Forward Capacity Market until the deferred date. Beginning on the deferred date, all of the rights, obligations, payments, and charges associated with the Capacity Supply Obligation shall apply, and the Capacity Supply Obligation and Capacity Clearing Price (indexed using the Handy-Whitman Index of Public Utility Construction Costs in effect as of December 31 of the year preceding the Capacity Commitment Period) associated with the Forward Capacity Auction in which the resource cleared as a new resource shall apply for the full duration of the Capacity Supply Obligation (including multi-year elections made pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7). A Project Sponsor will not take actions to cover the resource's Capacity Supply Obligation for the deferral period as described in Section III.13.3.4(a), but the other requirements of III.13.3, including all reporting requirements and the ISO's right to seek termination, shall continue to apply during the deferral period. Upon Commission approval of the deferral, the resource may not participate in any reconfiguration auctions or Capacity Supply Obligation Bilaterals for any portion of the deferral period. Beginning at 8:00 a.m. (Eastern Time) 30 days after Commission approval of the request, the Project Sponsor shall be required to provide an additional amount of financial assurance as described in Section VII.B.2.c of the ISO New England Financial Assurance Policy.

Notwithstanding any other provision of this Section III.13, if any of the resource's Capacity Supply Obligation in the deferral period was shed in a reconfiguration auction or Capacity Supply Obligation Bilateral prior to Commission approval of the deferral request, then the resource's settlements shall be adjusted by the ISO to ensure that the resource does not receive any payments associated with that

transaction in excess of the charges associated with that transaction; the resource will be responsible for any charges in excess of payments.

III.13.3.8. FCM Commercial Operation.

A resource (or portion thereof) achieves FCM Commercial Operation when (1) the ISO has determined that the resource (or portion thereof) has achieved all its critical path schedule milestones, including completion of any transmission upgrades necessary for the resource to obtain the requisite interconnection service; and (2) the ISO verifies the resource's (or a portion of the resource's) summer capacity rating (or, for a resource with winter capacity only, its winter capacity rating).

- (a) For a Generating Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation as soon as practicable following the ISO's verification of the resource's summer capacity rating (or, for a resource with winter capacity only, its winter capacity rating), which may take place in any month of the year. The ISO shall verify the summer capacity rating of a Generating Capacity Resource that is an Intermittent Power Resource following no fewer than 30 consecutive calendar days of operation (for periods from October 1 through May 31, a Market Participant must request such verification).
- (b) For a Demand Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation upon verifying that the Demand Capacity Resource described in the New Demand Capacity Resource Qualification Package has achieved its full demand reduction value, subject to the requirements of Section III.13.6.1.5.3(b).
- (c) For an Import Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation upon demonstration that the Import Capacity Resource described in the New Capacity Qualification Package has achieved its full Qualified Capacity.
- (d) For a Distributed Energy Capacity Resource (or portion thereof) that has achieved all its critical path schedule milestones, the ISO shall confirm FCM Commercial Operation upon verifying that the Distributed Energy Capacity Resource described in the New Distributed Energy Capacity Resource Qualification Package has achieved its full demand deviation value and net injection capability, subject to the requirements of Section III.13.6.1.7.3 and below.

(i) For facilities connected at a point of interconnection with net injection capability greater than or equal to 1 MW and less than 5 MW or facilities having a demand reduction value and net injection capability greater than 5 MW at a single Retail Delivery Point, these facilities shall map exactly to how the Distributed Energy Capacity Resource was qualified.

(ii) For facilities connected at a point of interconnection with net injection capability greater than or equal to 1 MW and less than 5 MW or facilities having a demand reduction value, to become fully commercial, the nameplate of each technology within the Distributed Energy Resource Aggregations mapped to the Distributed Energy Capacity Resource must be at least 70% of the expected nameplate of each technology used to support the Distributed Energy Capacity Resource Qualified Capacity.

III.13.4. Reconfiguration Auctions.

For each Capacity Commitment Period, the ISO shall conduct annual and monthly reconfiguration auctions as described in this Section III.13.4. Reconfiguration auctions only permit the trading of Capacity Supply Obligations; load obligations are not traded in reconfiguration auctions. Each reconfiguration auction shall use a static double auction (respecting the interface limits and capacity requirements modeled as specified in Sections III.13.4.5 and III.13.4.7) to clear supply offers (i.e., offers to assume a Capacity Supply Obligation) and demand bids (i.e., bids to shed a Capacity Supply Obligation) for each Capacity Zone included in the reconfiguration auction. Supply offers and demand bids will be modeled in the Capacity Zone where the associated resources are electrically interconnected. Resources that are able to meet the requirements in other Capacity Zones shall be allowed to clear to meet such requirements, subject to the constraints modeled in the auction.

III.13.4.1. Capacity Zones Included in Reconfiguration Auctions.

Each reconfiguration auction associated with a Capacity Commitment Period shall include each of, and only, the final Capacity Zones and external interfaces as determined through the Forward Capacity Auction for that Capacity Commitment Period, as described in Section III.13.2.3.4.

III.13.4.2. Participation in Reconfiguration Auctions.

Each supply offer and demand bid in a reconfiguration auction must be associated with a specific resource, and must satisfy the requirements of this Section III.13.4.2. All resource types may submit supply offers and demand bids in reconfiguration auctions. In accordance with Section III.A.9.2 of *Appendix A* of this Market Rule 1, supply offers and demand bids submitted for reconfiguration auctions shall not be subject to mitigation by the Internal Market Monitor. A supply offer or demand bid submitted for a reconfiguration auction shall not be limited by the associated resource's Economic Minimum Limit. Offers composed of separate resources may not participate in reconfiguration auctions. Participation in any reconfiguration auction is conditioned on full compliance with the applicable financial assurance requirements as provided in the ISO New England Financial Assurance Policy at the time of the offer and bid deadline. For annual reconfiguration auctions, the offer and bid deadline will be announced by the ISO no later than 30 days prior to that deadline. No later than 15 days before the offer and bid deadline for an annual reconfiguration auction, the ISO shall notify each resource of the amount of capacity that it may offer or bid in that auction, as calculated pursuant to this Section III.13.4.2. For monthly reconfiguration auctions, the offer and bid deadline will be announced by the ISO no later than 10 Business Days prior to that deadline. Upon issuance of the monthly bilateral results for the associated

Obligation Month, the ISO shall notify each resource of the amount of capacity that it may offer or bid in that monthly auction, as calculated pursuant to this Section III.13.4.2. For monthly reconfiguration auctions in which the most recently approved Winter Seasonal Claimed Capability established as of the fifth Business Day in June of the relevant Capacity Commitment Period is greater than the Winter ARA Qualified Capacity for the third annual reconfiguration auction, the ISO shall apply the greater of these two values to offer limits starting with the first monthly reconfiguration auction in the winter delivery period for the relevant Capacity Commitment Period, limited, as applicable, by the resource's CNR Capability.

III.13.4.2.1. Supply Offers.

Submission of supply offers in reconfiguration auctions shall be governed by this Section III.13.4.2.1. All supply offers in reconfiguration auctions shall be submitted by the Project Sponsor or Lead Market Participant, and shall specify the resource, the amount of capacity offered in MW, and the price, in dollars per kW/month. In no case may capacity associated with a Retirement De-List Bid or a Permanent De-List Bid that cleared in the Forward Capacity Auction, or a demand bid that cleared in a substitution auction, for a Capacity Commitment Period be offered in a reconfiguration auction for that, or any subsequent, Capacity Commitment Period, or any portion thereof. In no case may capacity associated with an Export Bid or an Administrative Export De-List Bid that cleared in the Forward Capacity Auction for a Capacity Commitment Period be offered in a reconfiguration auction for that Capacity Commitment Period, or any portion thereof.

III.13.4.2.1.1. Amount of Capacity That May Be Submitted in a Supply Offer in an Annual Reconfiguration Auction.

For each month of the Capacity Commitment Period associated with the annual reconfiguration auction, the ISO shall calculate the difference between the Summer ARA Qualified Capacity or Winter ARA Qualified Capacity, as applicable, and the amount of capacity from that resource that is already subject to a Capacity Supply Obligation for the month. The minimum of these 12 values shall be the amount of capacity up to which a resource may submit a supply offer in the annual reconfiguration auction.

III.13.4.2.1.2. Calculation of Summer ARA Qualified Capacity and Winter ARA Qualified Capacity.

III.13.4.2.1.2.1. First Annual Reconfiguration Auction and Second Annual Reconfiguration Auction.

III.13.4.2.1.2.1.1. Generating Capacity Resources Other than Intermittent Power Resources.

III.13.4.2.1.2.1.1.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any relevant limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the higher of the resource's summer Qualified Capacity as calculated for the Forward Capacity Auction for that Capacity Commitment Period and any summer Seasonal Claimed Capability values for summer periods completed after the Existing Capacity Retirement Deadline for the Forward Capacity Auction for the Capacity Commitment Period and before the start of the Capacity Commitment Period. The amount of capacity described in this Section III.13.4.2.1.2.1.1.1(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.2 and where the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.1.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the higher of the resource's winter Qualified Capacity as calculated for the Forward Capacity Auction for that Capacity Commitment Period and any winter Seasonal Claimed Capability values for winter periods completed after the Existing Capacity Retirement Deadline for the Forward Capacity Auction for the Capacity Commitment Period and before the start of the Capacity Commitment Period. The amount of capacity described in this Section III.13.4.2.1.2.1.1.2(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.1.2 and where the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.2. Intermittent Power Resources.

III.13.4.2.1.2.1.2.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined summer Qualified Capacity. The amount of capacity described in this Section III.13.4.2.1.2.1.2.1(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii)

for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.2.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined winter Qualified Capacity. The amount of capacity described in this Section III.13.4.2.1.2.1.2.2(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.3. Import Capacity Resources Backed By an External Control Area.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity and Winter ARA Qualified Capacity of an Import Capacity Resource shall be equal to its summer Qualified Capacity and winter Qualified Capacity, respectively, as determined for the Forward Capacity Auction for that Capacity Commitment Period.

III.13.4.2.1.2.1.3.1. Import Capacity Resources Backed by One or More External Resources.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity and Winter ARA Qualified Capacity of an Import Capacity Resource backed by one or more External Resources shall be the greater of:

(a) the summer Qualified Capacity and winter Qualified Capacity, respectively, as determined for the Forward Capacity Auction for that Capacity Commitment Period; and

(b) the amount of capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October and, if submitted for a New Import Capacity Resource backed by one or more External Resources, also subject to the satisfaction of the requirements in Sections III.13.1.3.5.1(b), III.13.1.3.5.2, and III.13.3.1.1 and the relevant financial assurance requirements as described in Section III.13.1.9 and the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.4. Demand Capacity Resources.

III.13.4.2.1.2.1.4.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined summer Qualified Capacity.

(ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

(b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:

(i) The sum of the most recently-determined summer demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the relevant Capacity

Commitment Period, and increased by average avoided peak transmission and distribution losses) and any summer capacity that has not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.

(ii) The amount of summer capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that is terminated or that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) that is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.1.4.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined winter Qualified Capacity.

(ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

(b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:

(i) The sum of the most recently-determined winter demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the winter period of the relevant Capacity Commitment Period, and increased by average avoided peak transmission

and distribution losses) and any winter capacity that has not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.

(ii) The amount of winter capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that is terminated or that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) that is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.1.5. Distributed Energy Capacity Resources.

III.13.4.2.1.2.1.5.1. Summer ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined summer Qualified Capacity.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.1.5.2. Winter ARA Qualified Capacity.

For the first and second annual reconfiguration auctions associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

(a) For capacity that has achieved FCM Commercial Operation, the resource's most recently-determined winter Qualified Capacity.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2. Third Annual Reconfiguration Auction.

III.13.4.2.1.2.2.1. Generating Capacity Resources other than Intermittent Power Resources.

III.13.4.2.1.2.2.1.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the resource's summer Seasonal Claimed Capability value in effect after the most recently completed summer period. The amount of capacity described in this Section III.13.4.2.1.2.2.1.1(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.1.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as

applicable, by the resource's CNR Capability and any limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the resource's winter Seasonal Claimed Capability value in effect after the most recently completed winter period. The amount of capacity described in this Section III.13.4.2.1.2.2.1.2(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.2. Intermittent Power Resources.

III.13.4.2.1.2.2.2.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the lesser of its most recently-determined summer Qualified Capacity and its summer Seasonal Claimed Capability value in effect after the most recently completed summer period. The amount of capacity described in this Section III.13.4.2.1.2.2.2.1(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii)

for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of an Intermittent Power Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below, limited, as applicable, by the resource's CNR Capability and any limitations identified in the interconnection review described in Sections III.13.1.1.2.3, III.13.1.1.2.3A, or III.13.1.1.2.3B (as applicable):

(a) For capacity that has achieved FCM Commercial Operation, the lesser of its most recently-determined winter Qualified Capacity and its winter Seasonal Claimed Capability value in effect after the most recently completed winter period. The amount of capacity described in this Section III.13.4.2.1.2.2.2(a) shall be zero, however, where the resource cleared in the Forward Capacity Auction for the Capacity Commitment Period as a new resource pursuant to Section III.13.1.1.2 and the project has not achieved FCM Commercial Operation.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.3. Import Capacity Resources.

III.13.4.2.1.2.2.3.1 Import Capacity Resources Backed by an External Control Area.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of an Import Capacity Resource shall be equal to the lesser of its summer Qualified Capacity as determined for the Forward Capacity Auction for that Capacity Commitment Period and the amount of capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October. For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of an Import Capacity Resource shall be equal to the lesser of its winter Qualified Capacity as determined for the Forward Capacity Auction for that Capacity Commitment Period and the amount of

capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October.

III.13.4.2.1.2.2.3.2. Import Capacity Resources Backed by One or More External Resources.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity and Winter ARA Qualified Capacity of an Import Capacity Resource backed by one or more External Resources shall be the lesser of:

(a) the summer Qualified Capacity and winter Qualified Capacity, respectively, as determined by the most recent Forward Capacity Auction that does not reflect a change to the Import Capacity Resource applicable to that Capacity Commitment Period; and

(b) the amount of capacity available to back the import, if submitted by the Lead Market Participant and approved by the ISO by the fifth Business Day in October and, if submitted for a New Import Capacity Resource backed by one or more External Resources, also subject to the satisfaction of the requirements in Sections III.13.1.3.5.1(b), III.13.1.3.5.2, and III.13.3.1.1 and the relevant financial assurance requirements as described in Section III.13.1.9 and the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.2.4. Demand Capacity Resources.

III.13.4.2.1.2.2.4.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the lesser of: (1) its most recently-determined summer Qualified Capacity and (2) its summer Seasonal DR Audit value or summer Passive DR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

(ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to

achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

(b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:

(i) The sum of the most recently-determined summer demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the relevant Capacity Commitment Period, and increased by average avoided peak transmission and distribution losses) and any summer capacity that has not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.

(ii) The amount of summer capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) provided that the resource is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.2.4.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Demand Capacity Resource shall be determined as follows.

(a) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the sum of the values determined pursuant to subsections (i) and (ii) below:

(i) For capacity that has achieved FCM Commercial Operation, the lesser of: (1) its most recently-determined winter Qualified Capacity and (2) its winter Seasonal DR Audit value or winter Passive DR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

- (ii) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (1) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (2) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (3) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.
- (b) For Demand Capacity Resources composed of Energy Efficiency measures, the lesser of the values determined pursuant to subsections (i) and (ii) below:
 - (i) The sum of the most recently-determined winter demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire or permanently de-list, or whose Measure Life will expire, prior to the start of the winter period of the relevant Capacity Commitment Period and increased by average avoided peak transmission and distribution losses) and any winter capacity that has cleared in a Forward Capacity Auction and not yet achieved FCM Commercial Operation that satisfies the criteria found in subsection (a)(ii) above.
 - (ii) The amount of winter capacity that qualified for the Forward Capacity Auction as a New Demand Capacity Resource (excluding any capacity that will retire or permanently de-list prior to the start of the relevant Capacity Commitment Period) provided that the resource is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period.

III.13.4.2.1.2.2.5. Distributed Energy Capacity Resources.

III.13.4.2.1.2.2.5.1. Summer ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Summer ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

- (a) For capacity that has achieved FCM Commercial Operation, the lesser of: (i) its most recently-determined summer Qualified Capacity and (ii) its summer Seasonal DECR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.2.5.2. Winter ARA Qualified Capacity.

For the third annual reconfiguration auction associated with a Capacity Commitment Period, the Winter ARA Qualified Capacity of a Distributed Energy Capacity Resource shall be the sum of the values determined pursuant to subsections (a) and (b) below:

(a) For capacity that has achieved FCM Commercial Operation, the lesser of: (i) its most recently-determined winter Qualified Capacity and (ii) its winter Seasonal DECR Audit value in effect at the time of qualification for the third annual reconfiguration auction.

(b) Any amount of capacity that has not yet achieved FCM Commercial Operation but: (i) is being monitored by the ISO pursuant to the provisions of Section III.13.3; (ii) is expected to achieve all its critical path schedule milestones prior to the start of the relevant Capacity Commitment Period; and (iii) for which the Lead Market Participant or Project Sponsor has met all relevant financial assurance requirements as described in Section III.13.1.9 and in the ISO New England Financial Assurance Policy.

III.13.4.2.1.3. Adjustment for Significant Decreases in Capacity.

For each month of the Capacity Commitment Period associated with the third annual reconfiguration auction, for each resource that has achieved FCM Commercial Operation, the ISO shall subtract the resource's Summer ARA Qualified Capacity or Winter ARA Qualified Capacity, as applicable, from the amount of capacity from the resource that is subject to a Capacity Supply Obligation for the month. For the month associated with the greatest of these 12 values (for Capacity Commitment Periods beginning on or before June 1, 2019) or the least of these 12 values (for Capacity Commitment Periods beginning on or after June 1, 2020), if the resource's Summer ARA Qualified Capacity or Winter ARA Qualified Capacity (as applicable) is below the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month by:

- (1) for Capacity Commitment Periods beginning on or before June 1, 2019, more than the lesser of:
 - (i) 20 percent of the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month or;
 - (ii) 40 MW;
- (2) for Capacity Commitment Periods beginning on June 1, 2020, June 1, 2021 and June 1, 2022, more than the lesser of:
 - (i) the greater of 20 percent of the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month or two MW, or;
 - (ii) 40 MW;
- (3) for Capacity Commitment Periods beginning on or after June 1, 2023, more than the lesser of:
 - (i) the greater of 10 percent of the amount of capacity from that resource that is subject to a Capacity Supply Obligation for that month or two MW, or;
 - (ii) 10 MW;

then the following provisions shall apply:

(a) The Lead Market Participant may submit a written plan to the ISO with any necessary supporting documentation describing the measures that will be taken and demonstrating that the resource will be able to provide an amount of capacity consistent with its total Capacity Supply Obligation for the Capacity Commitment Period by the start of all months in that Capacity Commitment Period in which the resource has a Capacity Supply Obligation. If submitted, such a plan must be received by the ISO no later than 10 Business Days after the ISO has notified the Lead Market Participant of its Summer ARA Qualified Capacity and Winter ARA Qualified Capacity for the third annual reconfiguration auction.

(b) If no such plan as described in Section III.13.4.2.1.3(a) is timely submitted to the ISO, or if such a plan is timely submitted but the ISO determines that the plan does not demonstrate that the resource will be able to provide the necessary amount of capacity by the start of all months in the Capacity Commitment Period in which the resource has a Capacity Supply Obligation, then the ISO shall enter a demand bid at the Forward Capacity Auction Starting Price on behalf of the resource (with all payments, charges, rights, obligations, and other results associated with such bid applying to the resource as if the resource itself had submitted the bid) in the third annual reconfiguration auction in an amount equal to:

- (1) for Capacity Commitment Periods beginning prior to June 1, 2020, the greatest of the 12 monthly values determined pursuant to this Section III.13.4.2.1.3;

(2) for Capacity Commitment Periods beginning on June 1, 2020, June 1, 2021 and June 1, 2022, where the Capacity Supply Obligation and Qualified Capacity values are those for the month in which the values as determined pursuant to Section III.13.4.2.1.3 vary the least, the greater of:

(i) the resource's Capacity Supply Obligation minus (Qualified Capacity divided by 0.8), and;

(ii) the resource's Capacity Supply Obligation minus Qualified Capacity minus 40 MW;

(3) for Capacity Commitment Periods beginning on or after June 1, 2023, where the Capacity Supply Obligation and Qualified Capacity values are those for the month in which the values as determined pursuant to Section III.13.4.2.1.3 vary the least, the greater of:

(i) the resource's Capacity Supply Obligation minus (Qualified Capacity divided by 0.9), and;

(ii) the resource's Capacity Supply Obligation minus Qualified Capacity minus 10 MW.

III.13.4.2.1.4. Amount of Capacity That May Be Submitted in a Supply Offer in a Monthly Reconfiguration Auction.

A resource may not submit a supply offer for a monthly reconfiguration auction unless it is expected to achieve FCM Commercial Operation prior to the end of the relevant Obligation Month, unless the resource has a negative Capacity Supply Obligation, in which case it may submit a supply offer for that reconfiguration auction in an amount up to the absolute value of its Capacity Supply Obligation. A resource may not submit a supply offer for a monthly reconfiguration auction if it is on an approved outage during that month. The amount of capacity up to which a resource may submit a supply offer in a monthly reconfiguration auction shall be the difference (but in no case less than zero) between the values determined pursuant to subsections (a) and (b) below:

(a) The resource's Summer ARA Qualified Capacity or Winter ARA Qualified Capacity as adjusted pursuant to Section III.13.4.2, as applicable, for the auction month for the third annual reconfiguration auction for the relevant Capacity Commitment Period or, where the resource did not qualify for the third annual reconfiguration auction for the relevant Capacity Commitment Period, the quantity of MW either being monitored by the ISO in accordance with Section III.13.3 (provided that all applicable Financial Assurance requirements have been met and the resource is expected to achieve all its critical path schedule milestones prior to the end of the relevant Obligation Month in accordance with posted schedules) or the amount of capacity that achieved all its critical path schedule milestones after the third annual reconfiguration qualification deadline; provided that the value determined pursuant to this subsection (a) shall be limited by the resource's CNR Capability and any limitations identified in the

interconnection review described in Sections III.13.1.1.2.3 or, for a Demand Capacity Resource, the amount of Qualified Capacity for the relevant Capacity Commitment Period.

(b) The amount of capacity from that resource that is already subject to a Capacity Supply Obligation for that month.

III.13.4.2.1.5. ISO Review of Supply Offers.

Supply offers in reconfiguration auctions shall be reviewed by the ISO to ensure the regional and local adequacy achieved through the Forward Capacity Auction and other reliability needs are maintained. The ISO's reviews will consider the location and operating and rating limitations of resources associated with cleared supply offers to ensure reliability standards will remain satisfied if the offer is accepted. The ISO shall reject supply offers that would otherwise clear in a reconfiguration auction that will result in a violation of any NERC or NPCC criteria, or ISO New England System Rules during the Capacity Commitment Period associated with the reconfiguration auction. The ISO's reliability reviews will assess such offers, beginning with the marginal resource, based on operable capacity needs while considering any approved or interim approved transmission outage information and any approved Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation outage information, and will include transmission security studies. Supply offers that cannot meet the applicable reliability needs will be rejected in their entirety and the resource will not be rejected in part. Rejected resources will not be further included in clearing the reconfiguration auction and the Lead Market Participant or Project Sponsor, as appropriate, shall be notified as soon as practicable after the reconfiguration auction of the rejection and of the reliability need prompting such rejection.

III.13.4.2.2. Demand Bids in Reconfiguration Auctions.

Submission of demand bids in reconfiguration auctions shall be governed by this Section III.13.4.2.2. All demand bids in reconfiguration auctions shall be submitted by the Project Sponsor or Lead Market Participant, and shall specify the amount of capacity bid in MW, and the price, in dollars per kW/month.

(a) To submit a demand bid in a reconfiguration auction, a resource must have a Capacity Supply Obligation for the Capacity Commitment Period (or portion thereof, as applicable) associated with that reconfiguration auction. Where capacity associated with a Self-Supplied FCA Resource that cleared in the Forward Capacity Auction for the Capacity Commitment Period is offered in a reconfiguration auction for that Capacity Commitment Period, or any portion thereof, a resource acquiring a Capacity Supply Obligation shall not as a result become a Self-Supplied FCA Resource.

(b) Each demand bid submitted to the ISO for reconfiguration auction shall be no greater than the amount of the resource's capacity that is already obligated for the Capacity Commitment Period (or portion thereof, as applicable) as of the offer and bid deadline for the reconfiguration auction.

(c) All demand bids in reconfiguration auctions shall be reviewed by the ISO to ensure the regional and local adequacy achieved through the Forward Capacity Auction and other reliability needs are maintained. The ISO's reviews will consider the location and operating and rating limitations of resources associated with demand bids that would otherwise clear to ensure reliability standards will remain satisfied if the committed capacity is withdrawn. The ISO shall reject demand bids that would otherwise clear in a reconfiguration auction that will result in a violation of any NERC or NPCC criteria or ISO New England System Rules during the Capacity Commitment Period associated with the reconfiguration auction, provided that for annual reconfiguration auctions associated with a Capacity Commitment Period that begins on or after June 1, 2018, the ISO shall not reject a demand bid solely on the basis that acceptance of the demand bid may result in the procurement of less capacity than the Installed Capacity Requirement (net of HQICCs). For monthly reconfiguration auctions, the ISO shall obtain and consider information from the Local Control Center regarding whether the capacity associated with demand bids that would otherwise clear from resources with a Capacity Supply Obligation is needed for local system conditions. The ISO's reliability reviews will assess such bids, beginning with the marginal resource, based on operable capacity needs while considering any approved or interim approved transmission outage information and any approved Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation outage information, and will include transmission security studies. Where the applicable reliability needs cannot be met if a Demand Bid is cleared, such Demand Bids will be rejected in their entirety and the resource will not be rejected in part. Demand Bids from rejected resources will not be further included in clearing the reconfiguration auction, and the Lead Market Participant or Project Sponsor, as appropriate, shall be notified as soon as practicable after the reconfiguration auction of the rejection and of the reliability need prompting such rejection.

III.13.4.3. [Reserved.]

III.13.4.4. Clearing Offers and Bids in Reconfiguration Auctions.

All supply offers and demand bids may be cleared in whole or in part in all reconfiguration auctions. If after clearing, a resource has a Capacity Supply Obligation below its Economic Minimum Limit, it must meet the requirements of Section III.13.6.1.1.1.

III.13.4.5. Annual Reconfiguration Auctions.

Except as provided below, after the Forward Capacity Auction for a Capacity Commitment Period, and before the start of that Capacity Commitment Period, the ISO shall conduct three annual reconfiguration auctions for capacity commitments covering the whole of that Capacity Commitment Period. For each annual reconfiguration auction, the capacity demand curves, New England Control Area and Capacity Zone capacity requirements and external interface limits, as updated pursuant to Section III.12, shall be modeled in the auction consistent with the Forward Capacity Auction for the associated Capacity Commitment Period. For purposes of the annual reconfiguration auctions, the Forward Capacity Auction Starting Price used to define the System-Wide Capacity Demand Curve shall be the Forward Capacity Auction Starting Price associated with the Forward Capacity Auction for the same Capacity Commitment Period addressed by the reconfiguration auction.

III.13.4.5.1. Timing of Annual Reconfiguration Auctions.

The first annual reconfiguration auction for the Capacity Commitment Period shall be held in the month of June that is approximately 24 months before the start of the Capacity Commitment Period. The second annual reconfiguration auction for the Capacity Commitment Period shall be held in the month of August that is approximately 10 months before the start of the Capacity Commitment Period. The third annual reconfiguration auction for the Capacity Commitment Period shall be held in the month of March that is approximately 3 months before the start of the Capacity Commitment Period.

III.13.4.5.2. Acceleration of Annual Reconfiguration Auction.

If the difference between the forecasted Installed Capacity Requirement (net of HQICCs) for a Capacity Commitment Period and the amount of capacity obligated for that Capacity Commitment Period is sufficiently large, then the ISO may, upon reasonable notice to Market Participants, conduct an annual reconfiguration auction as much as six months earlier than its normally-scheduled time.

III.13.4.6. [Reserved.]

III.13.4.7. Monthly Reconfiguration Auctions.

Prior to each month in the Capacity Commitment Period, the ISO shall conduct a monthly reconfiguration auction for whole-month capacity commitments during that month. For each monthly reconfiguration auction for Capacity Commitment Periods beginning before June 1, 2020, the Local Sourcing Requirement and Maximum Capacity Limit applicable for each Capacity Zone and external interface

limits, as updated pursuant to Section III.12, shall be modeled as constraints in the auction. For each monthly reconfiguration auction for Capacity Commitment Periods beginning or after June 1, 2020, the truncation points for import-constrained Capacity Zones and export-constrained Capacity Zones specified in Section III.13.2.2.2 and Section III.13.2.2.3, and external interface limits, as updated pursuant to Section III.12, shall be modeled as constraints in the auction. The System-Wide Capacity Demand Curve is not modeled in monthly reconfiguration auctions.

III.13.4.8. Adjustment to Capacity Supply Obligations.

For each supply offer that clears in a reconfiguration auction, the resource's Capacity Supply Obligation for the relevant Capacity Commitment Period (or portion thereof, as applicable) shall be increased by the amount of capacity that clears. For each demand bid that clears in a reconfiguration auction, the resource's Capacity Supply Obligation for the relevant Capacity Commitment Period (or portion thereof, as applicable) shall be decreased by the amount of capacity that clears.

III.13.8. Reporting and Price Finality

III.13.8.1. Filing of Certain Determinations Made By the ISO Prior to the Forward Capacity Auction and Challenges Thereto.

(a) For each Forward Capacity Auction, no later than 90 days prior to the first day of the auction, the ISO shall make a filing with the Commission pursuant to Section 205 of the Federal Power Act describing the Permanent De-List Bids and Retirement De-List Bids established pursuant to Section III.13.1.2.3.2, including any price adjustments made pursuant to Section III.13.1.2.3.1.5(d). The ISO will file the following information confidentially: the determinations made by the Internal Market Monitor with respect to each Permanent De-List Bid and Retirement De-List Bid, and supporting documentation for each such determination. The confidential filing shall indicate those resources that will permanently de-list or retire prior to the Forward Capacity Auction and those Permanent De-List Bids and Retirement De-List Bids for which a Lead Market Participant has made an election pursuant to Section III.13.1.2.4.1.

(b) The Forward Capacity Auction shall be conducted using the determinations as approved by the Commission (unless the Commission directs otherwise), and challenges to Capacity Clearing Prices resulting from the Forward Capacity Auction shall be reviewed in accordance with the provisions of Section III.13.8.2(c).

(c) For the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period), the informational filing required under this Section III.13.8.1(c) shall be submitted to the Commission on November 22, 2023. For each Forward Capacity Auction, no later than 90 days prior to the first day of the auction, the ISO shall make an informational filing with the Commission detailing the following determinations made by the ISO with respect to that Forward Capacity Auction, and providing supporting documentation for each such determination, provided, however, that the determinations in subsections (vi), (vii), (viii), and (ix) below shall be filed confidentially with the Commission in the informational filing, except determinations on which new resources have been rejected due to deliverability impacts (the determinations in subsections (vi), (vii), (viii), and (ix) shall be published by the ISO no later than 15 days after the Forward Capacity Auction, with the exception of bid price and offer price information and submitted Load-Side Relationship Certifications, which shall remain confidential):

(i) which Capacity Zones shall be modeled in the Forward Capacity Auction;

- (ii) the transmission interface limits as determined pursuant to Section III.12.5;
- (iii) which existing and proposed transmission lines the ISO determines will be in service by the start of the Capacity Commitment Period associated with the Forward Capacity Auction;
- (iv) the expected amount of installed capacity in each modeled Capacity Zone during the Capacity Commitment Period associated with the Forward Capacity Auction, and the Local Sourcing Requirement for each modeled import-constrained Capacity Zone and the Maximum Capacity Limit for each modeled export-constrained Capacity Zone;
- (v) for each resource that submitted a Load-Side Relationship Certification, the following information: the resource technology type; which qualifying circumstance in Section III.A.21.1.3 was asserted in the Load-Side Relationship Certification; the relevant state policy asserted in the Load-Side Relationship Certification, if any; whether the ISO accepted or rejected the Load-Side Relationship Certification; and, consequently, whether the resource was subject to a review for the exercise of buyer-side market power;
- (vi) which new resources are accepted and rejected in the qualification process to participate in the Forward Capacity Auction;
- (vii) which new resources were not reviewed for an exercise of buyer-side market power because of one of the conditions described in Sections III.A.21.1.1, III.A.21.1.2, or III.A.21.1.3; the condition met by each such resource; and, for new resources that submitted a Load-Side Relationship Certification, the Load-Side Relationship Certification submitted by the resource;
- (viii) the Internal Market Monitor's determinations made as part of any buyer-side market power review conducted pursuant to Section III.A.21.2 and any New Resource Offer Floor Price determinations made pursuant to Section III.A.21.3 with regard to a new resource, and the basis for any such determinations; for the avoidance of doubt, any information employed by the Internal Market Monitor in making these determinations related to the potential impact of a New Capacity Resource's offer on Capacity Clearing Prices, including any such information filed by the ISO in response to a pleading filed with the Commission, shall be filed confidentially and shall not be released to any entity, including to the Project Sponsor whose offer is the subject of dispute;

(ix) the Internal Market Monitor's determinations regarding offers or Static De-List Bids, Export Bids, and Administrative De-List Bids submitted during the qualification process made according to the provisions of this Section III.13, including an explanation of the Internal Market Monitor-determined prices established for any Static De-List Bids, Export Bids, and Administrative De-List Bids as described in Section III.13.1.2.3.2 based on the Internal Market Monitor review and the resource's net going forward costs, reasonable expectations about the resource's Capacity Performance Payments, reasonable risk premium assumptions, and reasonable opportunity costs as determined by the Internal Market Monitor. The filing shall identify to the extent possible the components of the bid which were accepted as justified, and shall also identify to the extent possible the components of the bid which were not justified and which resulted in the Internal Market Monitor establishing an Internal Market Monitor-determined price for the bid;

(x) which existing resources are qualified to participate in the Forward Capacity Auction (this information will include resource type, capacity zone, and qualified MW); and

(xi) aggregate MW from new resources qualified to participate in the Forward Capacity Auction and aggregate de-list bid amounts.

(d) Any comments or challenges to the determinations contained in the informational filing described in Section III.13.8.1(c) or in the qualification determination notifications described in Sections III.13.1.1.2.8, III.13.1.2.4(b), III.13.1.3.5.7, III.13.1.4.1.1.6, and III.13.1.4A.1.1.7 must be filed with the Commission no later than 15 days after the ISO's submission of the informational filing. If the Commission does not issue an order within 75 days after the ISO's submission of the informational filing (for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) this period shall be 61 days) that directs otherwise, the determinations contained in the informational filing shall be used in conducting the Forward Capacity Auction, and challenges to Capacity Clearing Prices resulting from the Forward Capacity Auction shall be reviewed in accordance with the provisions of Section III.13.8.2(c). If within 75 days after the ISO's submission of the informational filing (for the eighteenth Forward Capacity Auction (associated with the 2027-2028 Capacity Commitment Period) this period shall be 61 days), the Commission does issue an order modifying one or more of the ISO's determinations, then the Forward Capacity Auction shall be conducted no earlier than 15 days following that order (for the eighteenth Forward Capacity Auction

(associated with the 2027-2028 Capacity Commitment Period) this period shall be 14 days) using the determinations as modified by the Commission (unless the Commission directs otherwise), and challenges to Capacity Clearing Prices resulting from the Forward Capacity Auction shall be reviewed in accordance with the provisions of Section III.13.8.2(c).

III.13.8.2. Filing of Forward Capacity Auction Results and Challenges Thereto.

(a) As soon as practicable after the Forward Capacity Auction is complete, the ISO shall file the results of that Forward Capacity Auction with the Commission pursuant to Section 205 of the Federal Power Act, including the final set of Capacity Zones resulting from the auction, the Capacity Clearing Price in each of those Capacity Zones (and the Capacity Clearing Price associated with certain imports pursuant to Section III.13.2.3.3(d), if applicable), the substitution auction clearing prices and the total amount of payments associated with any demand bids cleared at a substitution auction clearing price above their demand bid prices, and a list of which resources received Capacity Supply Obligations in each Capacity Zone and the amount of those Capacity Supply Obligations. The filing shall also enumerate de-list bids rejected for reliability reasons pursuant to Section III.13.2.5.2.5, and the reasons for those rejections.

(b) The filing of Forward Capacity Auction results made pursuant to this Section III.13.8.2 shall also include documentation regarding the competitiveness of the Forward Capacity Auction, which may include a certification from the auctioneer and the ISO that: (i) all entities offering and bidding in the Forward Capacity Auction were properly qualified in accordance with the provisions of Section III.13.1; and (ii) the Forward Capacity Auction was conducted in accordance with the provisions of Section III.13.

(c) Any objection to the Forward Capacity Auction results must be filed with the Commission within 45 days after the ISO's filing of the Forward Capacity Auction results. The filing of a timely objection with the Commission will be the exclusive means of challenging the Forward Capacity Auction results.

(d) Any change to the Transmission, Markets and Services Tariff affecting the Forward Capacity Market or the Forward Capacity Auction that is filed after the results of a Forward Capacity Auction have been accepted or approved by the Commission shall not affect those Forward Capacity Auction results.

Attachment 3 – Current Status of the ISO-NE Queue

Total ISO Queue Active Projects

With Completed System Impact Studies (as of 05/01/2024)

Fuel Type	MW/LGF	Count/LGF	MW/SGF	Count/SGF	MW/ETU	Count/ETU
Battery	2,766	13	39.3	2		
Natural Gas/Other	73	1	20	1		
Solar	1,297	18	350	21		
Solar/Battery Hybrid	0	0	6.8	2		
Water	28	1	0	0		
Wind	8,594	11	18.3	1		
Total	12,758	44	434.4	27	3,400	6

Does not include Transmission Service Requests or Projects that are not subject to the ISO-NE Interconnection Process

Total ISO Queue Active Projects

With System Impact Studies Currently Expected to be Completed Between now and August 30, 2024

Fuel Type	MW/LGF	Count/LGF	MW/SGF	Count/SGF	MW/ETU	Count/ETU
Battery	2,210	11	7	1		
Solar	175	3	20	1		
Wind	1,235	2				
Total	3,620	16	27	2		

Does not include Transmission Service Requests or Projects that are not subject to the ISO-NE Interconnection Process

Total ISO Queue Active Projects

With System Impact Studies Currently Expected to be Completed Prior to the Eligibility Date of June 13, 2024

Fuel Type	MW/LGF	Count/LGF	MW/SGF	Count/SGF	MW/ETU	Count/ETU
Battery	705	4	7	1		
Solar	175	3	20	1		
Wind	1,200	1				
Total	2,080	8	27	2		

Does not include Transmission Service Requests or Projects that are not subject to the ISO-NE Interconnection Process

Total ISO Queue Active Projects

With System Impact Studies Currently Expected to be Completed Between the Eligibility Date of June 13, 2024 and August 30, 2024

Fuel Type	MW/LGF	Count/LGF	MW/SGF	Count/SGF	MW/ETU	Count/ETU
Battery	1,505	7				
Wind	35	1				
Total	1,540	8				

Does not include Transmission Service Requests or Projects that are not subject to the ISO-NE Interconnection Process

Total ISO Queue Active Projects

Fuel Type	MW/LGF	Count/LGF	MW/SGF	Count/SGF	MW/ETU	Count/ETU
Battery	20,200	99	58.6	3		
Natural Gas/Other	73	1	0	0		
Solar	2,808	28	348	20		
Solar/Battery Hybrid	657	5	6.8	2		
Water	28	1	0	0		
Wind	20,006	25	18.3	1		
Total	43,772	159	450	26	13,000	20

Does not include Transmission Service Requests or Projects that are not subject to the ISO-NE Interconnection Process

ATTACHMENT 4

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