



## ISO-NE Responses to Order Nos. 2023/2023-A Transition Related Questions

July 15, 2024

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### General Notes Applicable to the ISO-NE Responses

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There is overlap between many of the questions raised on the context of Order No. 2023 received by ISO-NE. Not all questions received by ISO-NE are documented below, but the questions and answers documented below attempt to provide responses to all received questions.

The responses in this document reflect ISO-NE's views of and expected compliance with Order Nos. 2023 and 2023-A at the time of its publication. These ISO-NE views and proposals may change pending FERC's approval of the Order No. 2023 compliance or as ISO-NE continues to work through Order No. 2023 implementation. Participants should continually check for updates and review the final version of the rules.

### Questions and Responses

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**Q1:** Is the deposit provided with an Interconnection Request ("IR") for a Large Generating Facility or Elective Transmission Upgrade ("ETU") refundable?

**Response:** Pursuant to the currently effective Tariff, the IR deposit is refundable if the IR is withdrawn within 10 business days of the Scoping Meeting. The IR deposit of \$50,000 shall be applied toward any time incurred by the System Operator associated with the project, including, but not limited to, the costs of reviewing the IR (including verifying models and data), the costs of developing the study agreements and their attachments, and the cost of developing the Interconnection Agreement. See the response for Q10 on refunds for projects that withdraw before October 11, 2024, once the Order Nos. 2023/2023-A compliant Tariff is effective.

**Q2:** Will projects with Scoping Meetings after the June 13, 2024 Eligibility Date be required to return executed Feasibility Study ("FS") or System Impact Study ("SIS") agreements along with the technical data and the study deposit?

**Response:** The ISO will continue to process IRs received on or before June 13, 2024 in the manner described in the current Tariff. According to the pre-Order Nos. 2023/2023-A version of the Tariff, all Interconnection Customers are required to provide a study decision within 5 Business Days of the Scoping Meeting. The Interconnection Customer is issued a study agreement, which includes the study deposit amount, within 10 Business Days of the Scoping Meeting which is due to be executed in 30

Calendar Days after receipt of the study agreement. An executed study agreement includes, receipt of the study deposit, signature page, and technical data. Any study agreement issued after the posting of this question and response document will have a due date after the requested Effective Date of August 12, 2024, when ISO will issue the Transitional Cluster Study (“TCS”) Agreements.

**Q3:** Are there financial obligations associated with the FS or SIS at this time? When will ISO-NE start the process of issuing a refund for any unused funds paid for the FS or SIS for projects that do not have a completed SIS prior to the TCS?

**Response:** Any unused balance of the FS deposit or SIS deposit associated with the IR will be applied toward the study deposit associated with the TCS for projects that execute a TCS Agreement. If what remains of the FS deposit or SIS deposit is more than the amount necessary for the TCS study deposit, then the excess would be refunded. If the project does not proceed with the TCS and is withdrawn, any unspent study deposit amount will be refunded.

**Q4:** Can ISO-NE review TCS data ahead of August 12, 2024?

**Response:** If an Interconnection Customer that has not previously submitted technical data, or wishes to modify previously submitted technical data, requests that ISO-NE review TCS data prior to August 12, 2024, ISO-NE can review the data ahead of August 12, 2024 using the IR deposit.

**Q5:** Will projects with Scoping Meetings after the June 13, 2024 Eligibility Date follow the current benchmarking requirements for the SIS technical data submission? Are Interconnection Customers required to comply with PP5-6 changes for the TCS?

**Response:** Interconnection Customers must meet the technical data requirements in effect at the time a technical data submission is required, including those contained in PP5-6. As such, all Interconnection Customers that must submit technical data are required to comply with requirements in the currently effective PP5-6 for the TCS, including Appendix C-1\*. For the changes currently going through the [Reliability Committee](#), projects that submit their data between the effective date of the updated PP5-6 containing the new model acceptance test requirements and October 11, 2024 will be subject to those new PP5-6 requirements.

Note that ISO-NE will perform model acceptance testing for project technical data submittals that are not required to meet the model acceptance test requirements of the revised PP5-6, and will notify Interconnection Customers of any identified deficiencies. All projects entering the TCS are encouraged to provide the model acceptance tests that meet the revised PP5-6 (or evaluate their models according to these revised requirements) to reduce the likelihood of needing to address deficiencies identified by ISO-NE through its own model acceptance tests.

See the [related materials presented at the July 16, 2024 Reliability Committee](#) meeting for additional details.

\*PP5-6 Appendix C-1 and C-1A must be provided for each EMT model used by the project, including the required attestations. For example, the Original Equipment Manufacturer (“OEM”) for inverter, the OEM for HVDC or the OEM for Power Plant Control must individually complete Appendix C-1 and C-1A.

**Q6:** What is a fully executed TCS Agreement package and when is it due?

**Response:** A fully executed and complete TCS Agreement package is due by the end of the day on October 11, 2024. The fully executed and complete TCS Agreement package must include all of the following:

- Selection of Interconnection Service (Network Resource Interconnection Service (“NRIS”)/Network Import Interconnection Service (“NIIS”) or Capacity Network Resource Interconnection service (“CNRIS”)/Capacity Import Interconnection Service (“CNIIS”))
- Submittal of exclusive Site Control for 100% of the project in the exact name of the IC associated with the IR
- The study deposit (see required amount in the table below)
- Commercial Readiness Deposit (see required amount in the table below)
- All required technical data

The table below shows the study deposit and Commercial Readiness Deposit amounts (where CNRIS/CNIIS-Only represents projects that have a completed SIS prior to August 30, 2024 and are proceeding to the TCS to achieve CNRIS or CNIIS):

	Transition Cluster Study (TCS)	
	Study Deposit Cash - Submitted to ISO	Readiness Deposit Cash or LOC - Submitted to ISO
LGIP and ETUIP	\$ 250,000	\$ 5,000,000
LGIP and ETUIP CNRIS-Only	\$ 100,000	\$ 1,000,000
SGIP	\$ 100,000	\$ 500,000
SGIP CNRIS-Only	\$ 50,000	\$ 250,000

**Q7:** Can data deficiencies be cured after October 11, 2024?

**Response:** If the TCS Agreement is not fully executed and complete (as described in Q6) by October 11, 2024, the IR will be withdrawn without further opportunity to cure (see Section 5.1.1 of Schedules 22, 23 or 25). If during the TCS ISO-NE identifies a deficiency with data, ISO-NE will withdraw the IR and notify the project’s Interconnection Customer, and the project’s Interconnection Customer will have 15 Business Days to respond with information or actions to cure the deficiency pursuant to Section 3.7 of Schedules 22, 23 or 25, of the Tariff.

See the [related materials presented at the July 16, 2024 Reliability Committee meeting](#) for additional details.

**Q8:** When will ISO-NE post a letter of credit template for the Commercial Readiness Deposit?

**Response:** The ISO-NE Market and Credit Risk department will post a letter of credit template to ISO-NE's public Website in advance of the issuance of TCS Agreements.

**Q9:** Will there be a Cluster Scoping Meeting for projects seeking to participate in the TCS?

**Response:** No, there will not be a Cluster Scoping Meeting for the TCS. Projects will have the option for an individual Scoping Meeting prior to the August 12<sup>th</sup> Effective Date, subject to availability.

**Q10:** Can a project withdraw without penalty prior to October 11, 2024?

**Response:** Yes, see Section 5.1.1 of the Schedule 22, 23 and 25 redlines on the [Order No. 2023 Key Project](#) page.

**Q11:** Does the Transitional Withdrawal Penalty (equal to nine times the total study cost since entering the queue) only account for the costs accrued up until the project withdraws from the TCS?

**Response:** Yes, the Transitional Withdrawal Penalty only accounts for all study costs accrued up until the project's withdrawal date, including those study costs accrued before the start of the TCS.

**Q12:** What is the difference between the Transitional Withdrawal Penalty and the Withdrawal Penalty?

**Response:** Order No. 2023-A added the new term Transitional Withdrawal Penalty in order to differentiate it from Withdrawal Penalties under Section 3.7 of the Order Nos. 2023/2023-A compliant Schedules 22, 23 and 25. There are no exceptions/exclusions from the applicability of a Transitional Withdrawal Penalty. The ISO will collect nine times (9x) the study costs (including any study costs incurred before the TCS) for each project that incurs a penalty. The rules associated with Withdrawal Penalties in Section 3.7 of Schedules 22, 23, and 25 will apply for the first Cluster Study.

**Q13:** Is there a cap on the Transitional Withdrawal Penalty ISO-NE can collect for a project?

**Response:** Yes. The maximum Transitional Withdrawal Penalty ISO-NE can collect for a project is capped by the amount of Commercial Readiness Deposit the ISO has on hand for the project. Refer to the table in the response for Q6 for the amounts of Commercial Readiness Deposits ISO-NE will collect for project participating in the TCS.

**Q14:** How will the Capacity Resource Interconnection Standard ("CRIS") study process be integrated with the Network Resource Interconnection Standard ("NRIS") process as a result of Order No. 2023?

**Response:** ISO-NE will perform CNRIS and NRIS study work in parallel during Cluster Studies, including the TCS. For further information, see Figure 10.3.1.1 of the PP5-6 redlines on the [Reliability Committee](#) page.

**Q15:** How will ISO-NE study a Battery Energy Storage System ("BESS") project under FERC Order 2023 guidelines?

**Response:** See Sections 3.5, 4.4 and 9.0 in PP5-6 redlines on the [Reliability Committee](#) page.

**Q16:** How will projects at the same Point of Interconnection (“POI”) be studied together and how will upgrade costs will be assigned?

**Response:** An interconnection solution would be designed so that projects requesting the same POI can interconnect at the requested levels of Interconnection Service. See Sections 10.3 and 10.4 of the PP5-6 redlines on the [Reliability Committee](#) page for details on the steps for performing a Cluster Study and calculating cost allocation.

**Q17:** If an Interconnection Customer chooses the option to be downgraded to NRIS/NIIS if thermal violations are identified associated only with CNRIS/CNIIS testing, will the Interconnection Customer be given the option to accept the upgrade costs associated with the thermal violations for the CNRIS/CNIIS portion?

**Response:** If, at the time an Interconnection Customer submits a fully executed TCS Agreement for a project, the Interconnection Customer chooses the option to downgrade the project’s requested Interconnection Service from CNRIS/CNIIS to NRIS/NIIS if thermal violations associated only with CNRIS/CNIIS testing are identified, then their project will automatically be downgraded to NRIS/NIIS if thermal violations are identified exclusively through CNRIS/CNIIS testing (i.e. the downgrade to NRIS/NIIS is automatic if the option is selected in the TCS Agreement).

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.

**Q18:** Are Interconnection Customers permitted to reduce their CNRIS/CNIIS level to stay below the threshold for thermal violations during or after the TCS?

Projects participating in the TCS do not have an option to reduce their CNRIS/CNIIS level outside of the Material Modification review and determination process after the October 11, 2024 deadline to submit a fully executed TCS Agreement. According to the Material Modification review process, a decrease of the electrical output (MW) of the proposed project, where the decrease would result in the transfer of an upgrade obligation to one or more projects in the same or a later Cluster, would be deemed material.

**Q19:** What is the ISO's expected course of action in the event that the Commission does not issue an order on the ISO's Order No. 2023 Compliance Package on or before August 12, 2024, as was requested?

Consistent with the Order No. 2023 Compliance Package, the ISO intends to move forward with implementation based on the requested August 12, 2024 effective date, and will seek votes on its proposed Planning Procedure 5-6 revisions at the August Reliability Committee and September Participants Committee meetings. As part of implementation, the ISO intends to issue Transitional Cluster Study and Transitional Serial Facility Study Agreements to all eligible Interconnection Customers on August 12, 2024, and continue to conduct System Impact Studies through August 30, 2024. The window for Interconnection Customers to submit their Agreements will close end of day on October 11, 2024. Therefore, all materials required for a complete submission, including deposits, Site Control, and technical data, must also be received by the end of the window on October 11.

The ISO will evaluate next steps based on the date that the Commission issues an order and the extent of any compliance directives established in the order. An order issued after August 12 may still accept the Order No. 2023 Compliance Package effective August 12, in which case, the window for Interconnection Customers to submit their Agreements and required materials will still close end of day on October 11, 2024. However, if the order accepts the changes with an effective date other than August 12, all materials required for a complete submission must be received by the end of the window that is ultimately dictated by the Commission accepted effective date.

The ISO will communicate next steps to stakeholders if the Commission has not issued an order as of August 30, 2024.