

To: NEPOOL Participants, Transmission, and Reliability Committees, and ISO-NE Interconnection Customers

From: ISO New England

Date: September 5, 2024

Subject: Suspension of Ongoing Order No. 2023 Compliance Proposal Implementation Activities

On May 14, 2024, the ISO, joined by the New England Power Pool (NEPOOL) Participants Committee (PC) and the Participating Transmission Owners Administrative Committee (PTO AC), filed the [Order No. 2023 Compliance Revisions](#) and [Order No. 2023-Related Revisions](#) (combined, the “Compliance Proposal”). The ISO requested an August 12, 2024 effective date for the Compliance Proposal rules, and a Commission order on the Compliance Proposal on or before that date.

On August 6, 2024, the ISO communicated to stakeholders its intent to proceed with implementation based on the requested August 12, 2024 effective date, but noted that it would communicate next steps to stakeholders if it had not received an order accepting the Compliance Proposal rules as of August 30, 2024.¹ As of the date of this communication, the ISO has not received an order on the Compliance Proposal.

Given the lack of an order, the ISO is ceasing implementation activities relating to the Compliance Proposal rules and will continue processing existing Interconnection Requests in the Interconnection Queue on a serial basis under the current Tariff provisions. The ISO will also move ahead with upcoming Forward Capacity Market activities under current rules. While the ISO requested an August 12, 2024 effective date, Order No. 2023 states the proposed requirements will not be effective until the Commission-approved effective date of the Compliance Proposal. Further, having certainty as to the applicable rules is necessary to consistently apply all aspects of the Compliance Proposal. When the Commission issues an order on the Compliance Proposal, the ISO will assess it and its impact on the proposed timelines, and will share its next steps with stakeholders.

The ISO will be communicating directly with affected Interconnection Customers in the coming days; Interconnection Customers may contact their assigned project managers with specific questions.

¹ See ISO-NE Responses to Order Nos. 2023/2023-A Transition Related Questions (Updated August 6, 2024), Question #19, <https://www.iso-ne.com/static-assets/documents/100013/order-2023-transition-faq.pdf>

Rationale on Decision to Cease Implementation Activities

In the Compliance Proposal, the ISO stated that an August 12, 2024 effective date was necessary to facilitate implementation of, among other things, the proposed Transitional Capacity Network Resource (CNR) Group Study—a one-time opportunity for late-stage interconnections to achieve capacity interconnection service through the 2024 interim reconfiguration auction (RA) qualification activities described in Section III.13.A.2. The ISO also stated in the Compliance Proposal that it planned “to commence implementation activities associated with the transition process as early as May 20, 2024, and a prompt order will ensure that the implementation can continue without interruption.”

Since that time, the ISO has taken the following implementation steps:

1. Implemented the June 13, 2024, eligibility date required by Order No. 2023 for Transitional Cluster Study eligibility,²
2. Developed the initial set of Planning Procedure updates necessary to implement the proposed transition rules,³
3. Issued the Transitional Cluster Study Agreements to eligible Interconnection Customers on August 12, 2024;⁴ and
4. Continued to conduct System Impact Studies (SIS) through August 30, 2024.

The ISO’s objective is to ensure that all implementation activities can be applied consistently, but the ability to do so depends on having a clear set of rules. While the ISO had proceeded with implementation activities in the event the Commission issued an order by August 30, 2024, the ISO has now reached the point at which implementation work must be interrupted and work must proceed under the existing Tariff rules until such time the Commission issues an order on the Compliance Proposal. Consistent application of implementation activities is no longer achievable given that the existing Tariff remains in effect until the Commission accepts the Compliance Proposal, and there is uncertainty regarding the timing and outcome of a Commission action.

² This action was taken consistent with Order No. 2023, which in Paragraph 865 establishes this date as “...30 calendar days after the filing date of the transmission provider’s initial filing to comply with this final rule...”. As of this date, ISO no longer accepted new Interconnection Requests until the opening of the Cluster Request Window associated with the first Cluster Study.

³ The NEPOOL Participants Committee supported the revisions to Planning Procedure 5-6 in connection with Order No. 2023 at its September 5, 2024 meeting, and the ISO noted it will not make the updated procedure effective until such time as an order has been received and the ISO has confirmed that the revisions remain consistent with the resulting Tariff rules.

⁴ The ISO’s issuance of the agreements on August 12, 2024 set October 11, 2024 as the date by which Interconnection Customers would need to return executed agreements to the ISO, together with all required materials, including study deposits, Commercial Readiness Deposits, Site Control, and required technical data.

Impacts to Recent and Upcoming Milestones

August 30, 2024

According to the Compliance Proposal, this is the date by which Interconnection Customers can accept SIS results for an Interconnection Request in order to achieve Interconnection Service without participating in the Transitional Cluster Study. This is also the date by which the ISO will stop all Interconnection Study work.

Next Steps:

- Going forward, the ISO will continue Interconnection Studies under the current Interconnection Procedures and will evaluate whether the results of any completed SISs after August 30, 2024 will allow an Interconnection Request to achieve Network Resource Interconnection Service without participating in the Transitional Cluster Study. Customers may continue to elect to have the ISO pause study work in advance of the Transitional Cluster Study. The ISO will be communicating directly with affected Interconnection Customers in the coming days; Interconnection Customers may contact their assigned project managers with specific questions.

1st Week of September, 2024

In accordance with scheduled Forward Capacity Market activities:

1. The ISO is required to finalize the overlapping interconnection impacts analysis for the 2024 interim RA qualification process ahead of the September 13, 2024 Show of Interest Capacity Reduction Deadline for Generation.⁵
2. The ISO is required to perform bilateral period qualification for the November 2024 Obligation Month ahead of the bilateral period opening on September 9, 2024.

Next Steps:

- The ISO will finalize the overlapping interconnection impacts analysis for the 2024 interim RA qualification process according to current rules and notify Project Sponsors of these results no later than September 6, 2024. As a result of finalizing the overlapping interconnection impacts analysis according to current rules, the ISO will no longer proceed with the Transitional CNR Group Study proposed in the Compliance Proposal.
- The ISO will perform monthly RA and bilateral period qualification under current rules that allow Market Participants to establish Capacity Network Resource Capability (CNRC) by obtaining a Capacity Supply Obligation (CSO).

⁵ The 2024 interim RA qualification process schedule can be found at: <https://www.iso-ne.com/static-assets/documents/100008/interim-qual-timeline-02-16-2024.pdf>

September 9, 2024

To support the Compliance Proposal, this is the date of the ISO's Order No. 2023 Transitional Cluster Study technical session.

Next Steps:

- The ISO will cancel this webinar. The ISO will re-evaluate the need and content for this session, along with updates to its participant training plans, once the Commission issues an order on the Compliance Proposal.

October 4, 2024

Under the Compliance Proposal, this is the date on which the ISO intended to make determinations regarding which ongoing Administered System Operator (ASO) studies are relevant to the Transitional Cluster Study and in a position to seek a Reliability Committee (RC) advisory vote under Section I.3.9 of the Tariff at or before the December 2024 RC meeting.

Next Steps:

- The ISO will continue ASO study coordination according to current rules and practices until receiving and evaluating an order from the Commission on the Compliance Proposal.

October 11, 2024

According to the Compliance Proposal, this is the deadline for Interconnection Customers to submit an executed Transitional Cluster Study Agreement (and all other required items such as Site Control, technical data, and deposits) based on the date that the ISO issued the Transitional Cluster Study Agreements (i.e. August 12, 2024).

Next Steps:

- As of the date of this communication, the ISO will no longer accept Transitional Cluster Study Agreements and related materials and deposits. The ISO is no longer in a position to accept Transitional Cluster Study Agreement related deposits and materials because it must move forward under current rules absent an order. The absence of an order also introduces uncertainty for ICs and the ISO on the timing for submitting Transitional Cluster Study Agreements (TCSAs) and all required materials. Interconnection Customers that have already submitted TCSAs and relevant deposits should contact their project manager regarding next steps.

Conclusion

When the Commission issues an order addressing the Order No. 2023 Compliance Proposal, the ISO will assess the order and determine how best to proceed. There may be elements of the proposed rules for which implementation may be infeasible due to time passed. There may also be outcomes of implementation of the current rules during this period that become invalidated by a Commission order. At that time, the ISO will assess how to best address implementation issues based on the timing and content of the order and will update stakeholders accordingly.