

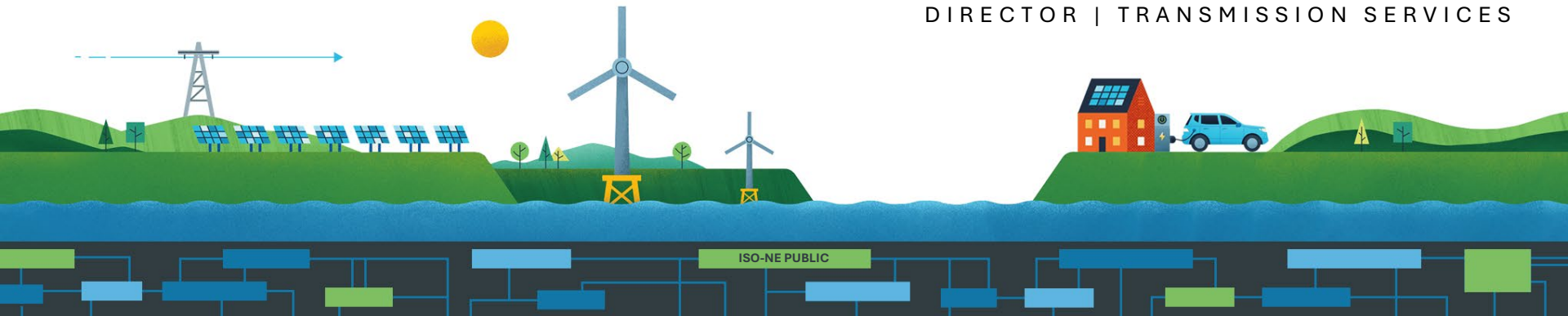
Order No. 2023 Interconnection Process



Initial Discussion of Possible Conforming Changes

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Presentation Overview

- The ISO is considering Order No. 2023 related changes to support near-term implementation
 - Changes would target Tariff and PP5-6 enhancements
- Today's presentation introduces initial thoughts on this effort
 - The ISO will begin formal stakeholder review on any proposed changes in Q3 2025

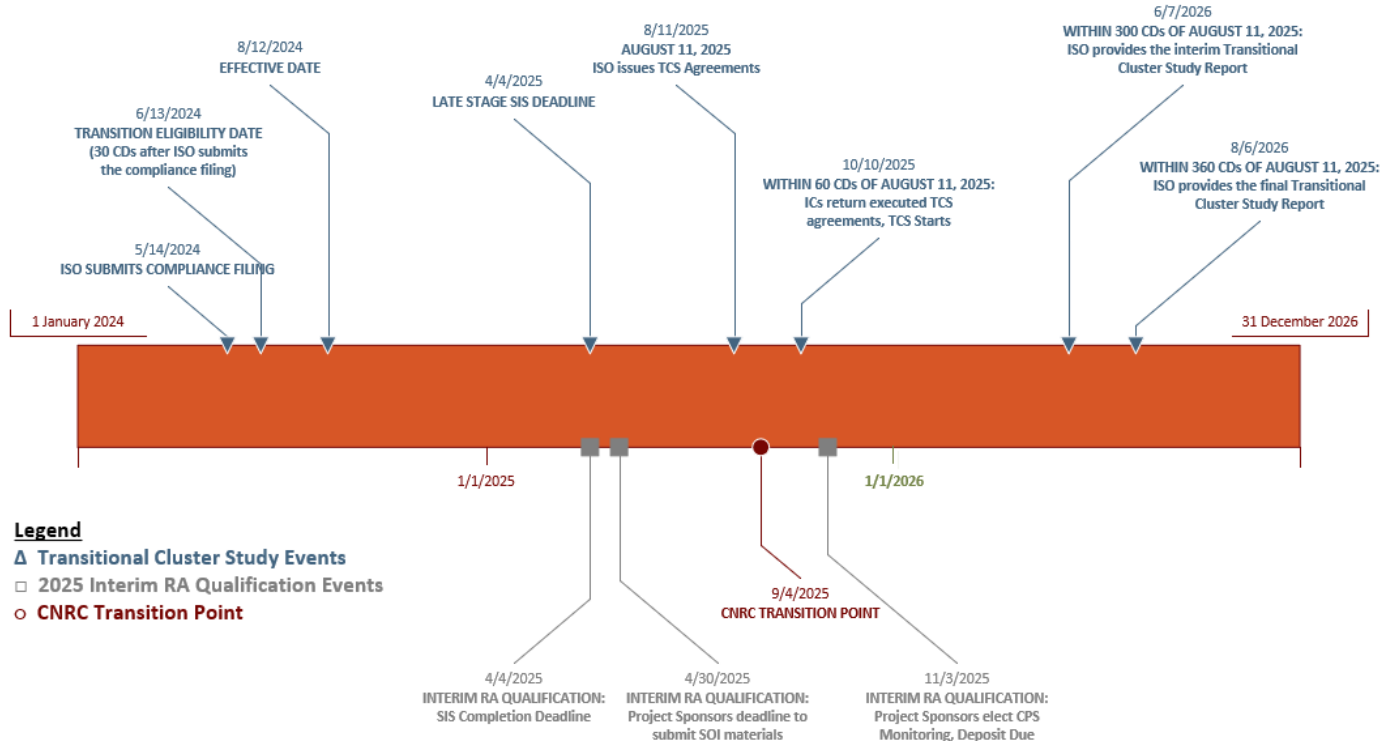


Current Order No. 2023 Implementation Status

- The timelines for Order No. 2023 transition activities are now set
 - [FERC issued an order on June 30, 2025](#) accepting [narrowly tailored date changes](#) necessary to shift the transition activities in the [original compliance proposal](#) by approximately one year
- The ISO is actively working on Order No. 2023 related transition activities, including:
 - Performance of the Transitional Capacity Network Resource Group Study (TCNRGS) together with the 2025 interim reconfiguration auction (RA) qualification process
 - Preparations for performing the Transitional Cluster Study (TCS)



Key Transition Milestones



Items Identified to Date Requiring Revisions

- Through its Order No. 2023 related efforts to date, the ISO has identified some items that will benefit from conforming changes or clarification changes, which include:
 - Addressing deliverability concepts related to resources not subject to the ISO Interconnection Procedures (Tariff)
 - Minor updates to reflect transition timelines (PP5-6)
 - Minor corrections for various typos and obvious errors (Tariff and PP5-6, as needed)
- Additional future changes may be required, including to other ISO governing documents and procedures, as implementation efforts progress



PP5-6



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PP5-6 Plans

- The version of PP5-6 (Interconnection Planning Procedure for Generation and Elective Transmission Upgrades) that received stakeholder support at the [joint August 2024 Transmission Committee Reliability Committee meeting](#) and September 2024 Participants Committee is Order No. 2023 ready, but it can benefit from some minor date adjustments and minor corrections for various typos/obvious errors
 - While this version of PP5-6 successfully completed the stakeholder process, it becoming effective was contingent on a FERC order that sufficiently accepted the region's Order No. 2023 compliance proposal



PP5-6 Plans (cont'd)

- The Order No. 2023 ready version of PP5-6 will become effective at the start of the TCS (*i.e.*, October 11, 2025)
 - While the model acceptance testing (MAT) requirements in the new PP5-6 Appendix C-2 will not become effective before executed TCS Agreements are due, the ISO will use the PP5-6 Appendix C-2 MAT requirements when evaluating submitted models



SOME THOUGHTS ON DELIVERABILITY CONCEPTS

*For resources not subject to the ISO Interconnection
Procedures*



Need to Address Deliverability Concepts

- As part of Order No. 2023 compliance, the ISO removed milestones related to the assessment of deliverability and establishment of Capacity Network Resource Capability (CNRC)/Capacity Network Import Capability (CNIC) from Forward Capacity Market (FCM) activities for resources subject to the ISO Interconnection Procedures
 - These milestones now reside fully within the ISO interconnection process



Need to Address Deliverability Concepts (cont'd)

- Clarifications for such milestones are needed for resources not subject to the ISO Interconnection Procedures
 - These clarifications will first be needed for the 2026 interim RA qualification process since the 2026 interim RA qualification process takes place after the September 4, 2025 CNRC/CNIC establishment transition date and the completion of the TCNRGS performed as part of the 2025 interim RA qualification process



Three Deliverability Concepts to Address

- The ISO is considering addressing the following three deliverability concepts for resources not subject to the ISO Interconnection Procedures:
 1. Formalizing the concept of “equivalent CNRC”
 2. Timing for performing deliverability analysis screens
 3. Establishing “equivalent CNRC”



1. “Equivalent CNRC”

- Use of the “equivalent CNRC” concept has existed for some time, even if the term “CNRC” was used to describe deliverability capability for resources not subject to the ISO Interconnection Procedures
 - The ISO assigns Capacity Network Resource Interconnection Service (CNRIS)/Capacity Network Import Interconnection Service (CNIIS) for an amount of CNRC/CNIC to resources subject to the ISO Interconnection Procedures
 - Although the ISO does not assign CNRIS for an amount of CNRC to resources not subject to the ISO Interconnection Procedures, the ISO still needs to assign a deliverability capability to such resources to properly perform deliverability analyses and account for assigned deliverability capabilities

1. “Equivalent CNRC” (cont’d)

- Order No. 2023 rule changes removed capacity interconnection milestones (and related Tariff rules) from the FCM and revised the queue construct for resources subject to the ISO Interconnection Procedures, both of which were previously leveraged for Generating Capacity Resources (GCRs) not subject to the ISO Interconnection Procedures
 - The distinction between CNRC and “equivalent CNRC” is now more obvious since GCRs not subject to the ISO Interconnection Procedures can no longer point to rules associated with resources subject to the ISO Interconnection Procedures previously leveraged for establishing a maximum deliverability value
- As a result, the ISO is proposing to formalize the concept of “equivalent CNRC” for all resources not subject to the ISO Interconnection Procedures (including for non-passive Demand Capacity Resources (DCRs) and Distributed Energy Capacity Resources (DECRS)) to avoid confusion when tracking assignment of deliverability capability

2. Deliverability Review Timing

- The now effective Order No. 2023 related rules introduced an “all or nothing” deliverability analysis screen for GCRs not subject to the ISO Interconnection Procedures
 - Previously, the deliverability analysis for GCRs not subject to the ISO Interconnection Procedures was included in the CNR Group Study performed as part of a Forward Capacity Auction (or interim RA) qualification process
 - Note that under both pre/post-Order No. 2023 rules, Active Demand Capacity Resources (ADCRs) were/are evaluated using an “all or nothing” deliverability analysis screening



2. Deliverability Review Timing (cont'd)

- The “all or nothing” deliverability analysis screen performed for resources not subject to the ISO Interconnection Procedures needs to be coordinated with the deliverability analysis performed in a Cluster Study for resources subject to the ISO Interconnection Procedures
- The timing of Cluster Studies is independent of capacity market activities, which makes coordinating an “all or nothing” deliverability analysis screen with a Cluster Study challenging if the timing of “all or nothing” deliverability analysis screens is set by a capacity market schedule



2. Deliverability Review Timing (cont'd)

- The ISO is proposing to perform “all or nothing” deliverability analysis screens for resources not subject to the ISO Interconnection Procedures right after the conclusion of a Cluster Study
 - This allows close coordination of the base case of the “all or nothing” deliverability analysis screen with the final case coming out of a related Cluster Study
- Further, the ISO is proposing to use the most recently completed deliverability analysis screen when evaluating deliverability for capacity market related qualification of resources not subject to the ISO Interconnection Procedures
 - Example: If the most recently completed deliverability analysis screen was completed in October of year “n”, and a resource is being evaluated for deliverability as part of a capacity market activity in April of year “n+1”, for the April of year “n+1” qualification activities, the deliverability analysis screen completed in October of year “n” will be checked to see if there no longer is any deliverability space left for the applicable area of the system

3. Establishing “Equivalent CNRC”

- GCRs not subject to the ISO Interconnection Procedures have leveraged the “establish CNRC by obtaining a Capacity Supply Obligation (CSO)” pre-Order No. 2023 rule used by resources subject to the ISO Interconnection Procedures
 - As previously discussed, Order No. 2023 rule changes removed capacity interconnection milestones (and related Tariff rules) from the FCM for resources subject to the ISO Interconnection Procedures (e.g., starting September 4, 2025 for rules related to the establishment of CNRC)



3. Establishing “Equivalent CNRC” (cont’d)

- To make sure CNRC or “equivalent CNRC” is properly managed, any resources that establish CNRC or “equivalent CNRC” should be expected to ultimately achieve Commercial Operation
 - Under Order No. 2023 compliant rules, resources subject to the ISO Interconnection Procedures require significant Commercial Readiness Deposits and face significant withdrawal penalties, and are tracked closely against the milestones in their Interconnection Agreements
 - Similar Order No. 2023 like commitments and tracking are not visible to the ISO, or do not exist, for projects not subject to the ISO Interconnection Procedures

3. Establishing “Equivalent CNRC” (cont’d)

- To provide “equivalent CNRC” establishment rules, the ISO is considering Tariff changes to maintain the “establish equivalent CNRC by obtaining a CSO” rule for all resources not subject to the ISO Interconnection Procedures since a CSO is a:
 - Clear and trackable commitment, and
 - Good indication that a resource intends to achieve Commercial Operation and provide its capacity to the system



3. Establishing “Equivalent CNRC” (cont’d)

- The ISO recognizes there are some timing concerns related to this considered approach for resources not-subject to the ISO Interconnection Procedures (e.g., distribution connected GCRs) to establish “equivalent CNRC”
 - Under current rules, and depending on when a resource can first access an RA, resources not subject to the ISO Interconnection Procedures may not be able to establish “equivalent CNRC” until close to the time it is expected to achieve Commercial Operation
 - This issue is more pronounced under a prompt auction-based capacity market that does not allow non-commercial resources to participate in capacity auctions
 - Resources not subject to the ISO Interconnection Procedures would need to achieve Commercial Operation before they can be assured of their ability to participate in capacity market activities

3. Establishing “Equivalent CNRC” (cont’d)

- The ISO is open to using alternative commitment milestones for projects not subject to the ISO Interconnection Procedures for establishing “equivalent CNRC” that, once achieved, indicates a project will likely achieve Commercial Operation
 - Any acceptable alternative would need to be easily demonstrated to the ISO, and would need to represent a level of commitment where project attrition is low
 - Feedback on this item can be provided by July 31, 2025 to arost@iso-ne.com

CONCLUSION AND NEXT STEPS



Conclusion

- The ISO is considering Order No. 2023 related changes to support near-term implementation
 - Proposed changes would target Tariff and PP5-6 enhancements
 - Additional conforming changes may be required to other ISO governing documents and procedures as implementation efforts progress
- The ISO will begin formal stakeholder review on any proposed changes in Q3 2025
- Feedback on demonstrable commitment milestones that resources not subject to the ISO Interconnection Procedures may use to establish “equivalent CNRC” can be provided by July 31, 2025 to arost@iso-ne.com

Tentative Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
Reliability/Transmission Committee July 15-16, 2025	Initial concepts presentation
Reliability Committee August 19, 2025	Introduction to proposed PP5-6 revisions
Reliability Committee September 16, 2025	Vote on proposed PP5-6 revisions
Transmission Committee September 25, 2025	Introduction to proposed Tariff revisions
Participants Committee October 9, 2025	Vote on proposed PP5-6 conforming change revisions
Transmission Committee October 28, 2025	Continued discussion on proposed Tariff revisions
Transmission Committee November 20, 2025	Vote on proposed Tariff revisions
Participants Committee December 4, 2025	Vote on proposed Tariff revisions

*Schedule is tentative and subject to change

Questions

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APPENDIX

Order No. 2023 History



Order No. 2023 History

- On May 14, 2024, the ISO, 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 (together, Filing Parties), submitted revisions to ISO New England's Transmission, Markets and Services Tariff in compliance with, and related to, Order Nos. 2023 and 2023-A (together, the [Compliance Proposal](#))

Order No. 2023 History (cont'd)

- On [April 4, 2025](#), FERC issued an order accepting the Compliance Proposal in part, and directed the Filing Parties to submit a further compliance filing within 60 days of the order
- The ISO took two steps in response to the April 4, 2025 order:
 1. Submitted a narrowly tailored date changes necessary to shift the transition activities in the Compliance Proposal by approximately one year under Section 205 of the Federal Power Act on [May 2, 2025](#)
 - [FERC issued an order on June 30, 2025](#), accepting the proposed changes in this filing
 2. Submitted a further compliance filing on [June 3, 2025](#)