May 31, 2024

VIA ELECTRONIC FILING

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

Re: ISO New England Inc.; Docket Nos. RM22-14-___, ER24-2009-___
Errata to Revisions to the ISO New England Inc. Transmission, Markets and Services Tariff in Compliance with Order Nos. 2023 and 2023-A

Dear Acting Secretary Reese:

On May 14, 2024, pursuant to Rule 1907 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure[1] 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") jointly submitted proposed revisions to Sections I, II, and III of the Tariff necessary to comply with the Commission's landmark order on *Improvements to Generator Interconnection Procedures and Agreements*, Order Nos. 2023 and 2023-A.[4] The proposed revisions are collectively referred to as the "Order No. 2023 Revisions."

[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] *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). *See also*, *ISO New England Inc., et al.*, Revisions to the ISO New England Inc. Transmission, Markets and Services Tariff in Compliance with Order Nos. 2023 and 2023-A; Docket No. ER24-2009-000 (filed May 14, 2024) ("May 14 Filing").

It has come to the attention of the ISO that the May 14 Filing contained a minor error that warrants correction. Specifically, the last full paragraph on page 67 of the transmittal letter inadvertently omitted language that should have been included as part of explanation of the Filing Parties' proposed requirements related to operating assumptions for storage facilities, and absent that language the proposal could be misunderstood. The paragraph should have read and is being revised as follows:

> "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 to charge at load levels higher than the peak shoulder load under which the facility was studied, if such charging would cause a system overload. However, the SCED would allow the battery to charge at higher than shoulder loads, as long as no violation would be caused in operations by the charging."

To avoid any potential confusion, attached hereto is a copy of the transmittal letter updated to reflect these changes. The Filing Parties regret any inconvenience that may result from this minor omission, and respectfully request that the Commission accept the Order No. 2023 Revisions with an effective date of August 12, 2024, and issue an order on or before that date. Should you have any questions regarding this errata filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

ISO NEW ENGLAND INC.

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Attachment

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 Procedure[1] 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.

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[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 PTOs[16] 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.

Correspondence and communications in this proceeding should be addressed to:

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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 845[20] 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.

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[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 Restudy 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.

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[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.

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[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

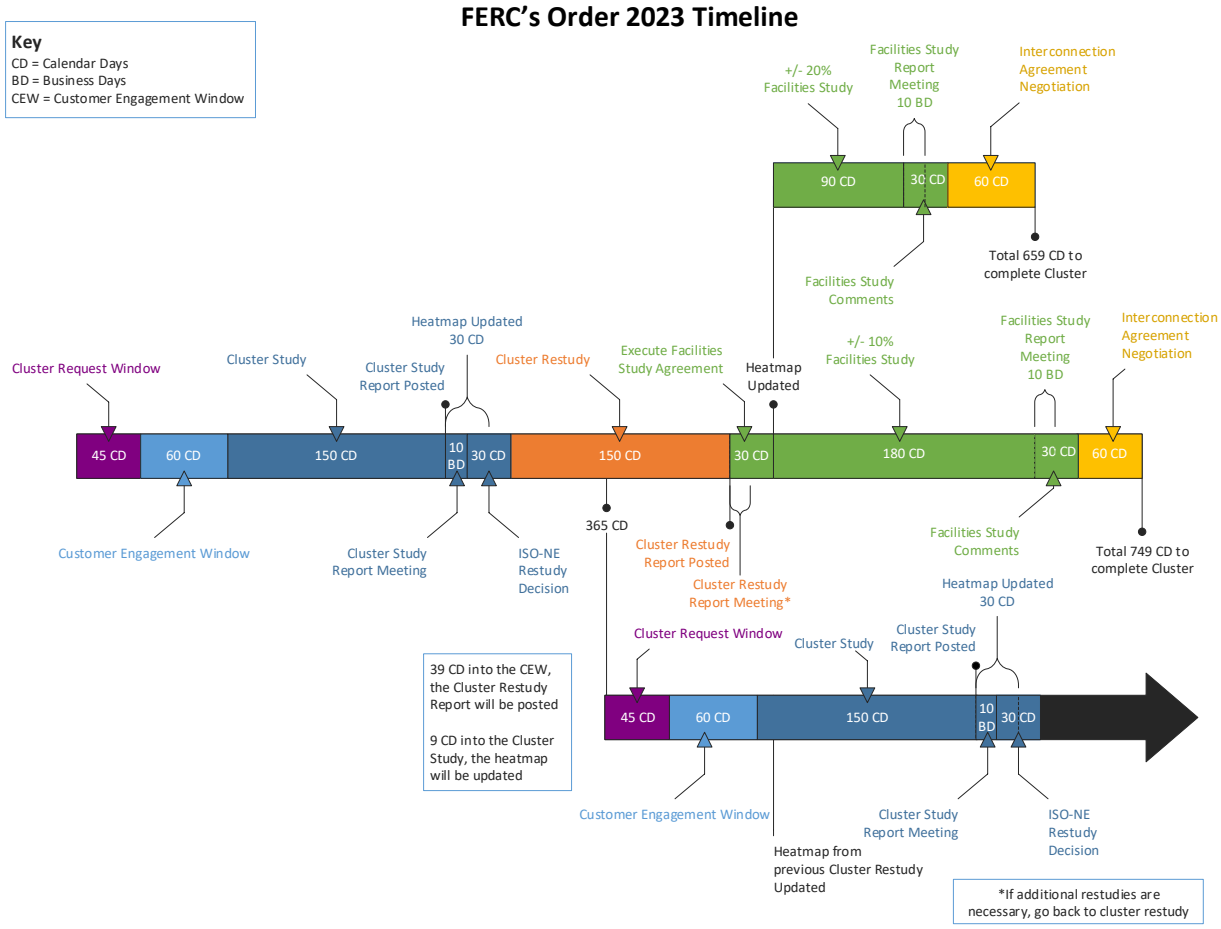
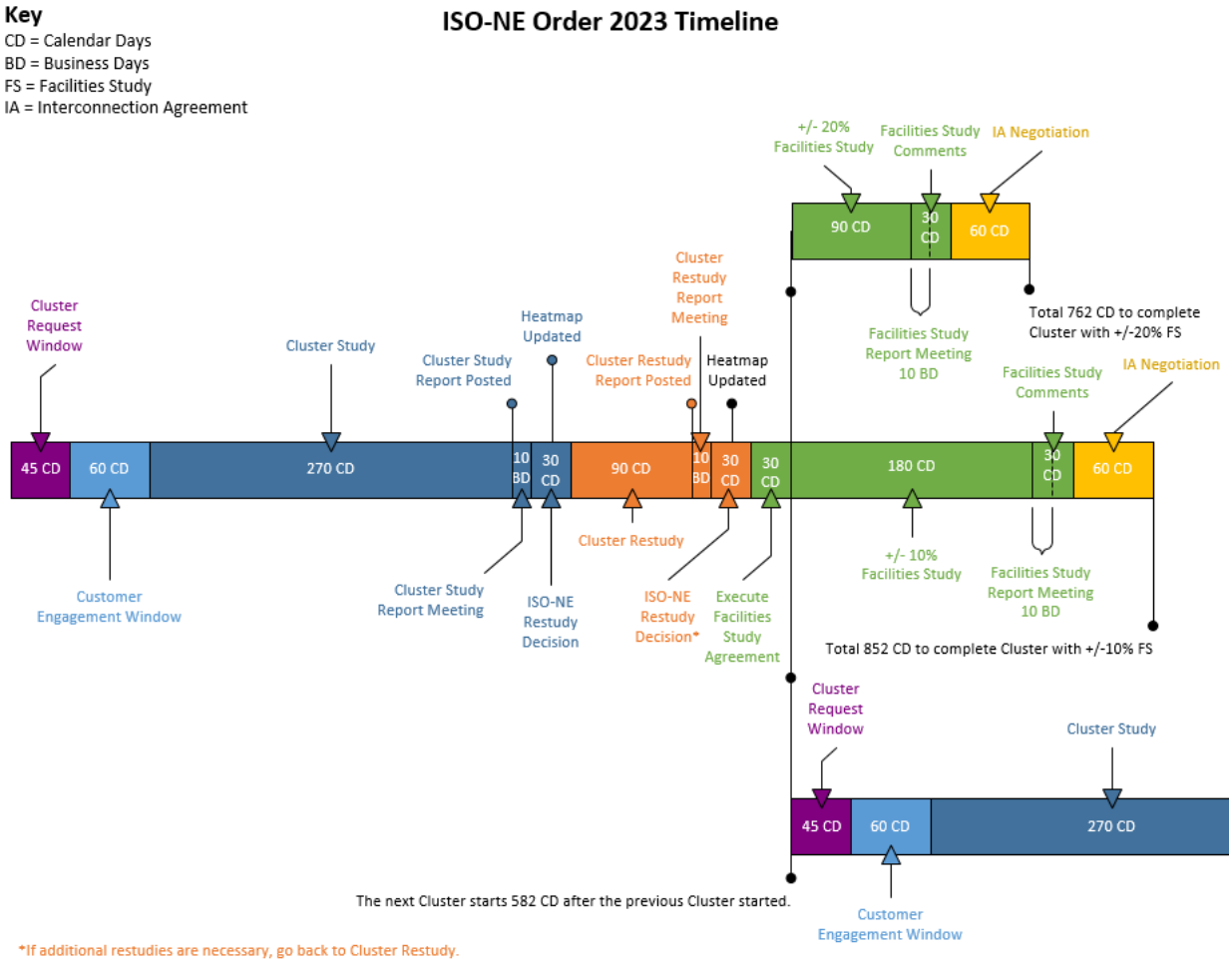


Figure 2: Filing Parties' Proposed Cluster Study Timeline



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 rides 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):

	Cluster Study Entry Window			**Cluster Study Report**	**Facilities Study Agreement**	**Interconnection Agreement**
	Initial Application Deposit	*Study Deposit*	*Readiness Deposit*	*Readiness Deposit*	*Readiness Deposit*	*Readiness Deposit*
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.

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[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 uprates 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/expan-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 to 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:

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[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

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[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 No2. 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 Transmission 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

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[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 CNRC 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.

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[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.

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[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]

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[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 Capability 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 Capability.

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 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.

The definition of Unused Capability 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 Capability 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 Capability 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 Capability).

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 to charge at load levels higher than the peak shoulder load under which the facility was studied, if such charging would cause a system overload. However, the SCED would allow the battery to charge at higher than shoulder loads, as long as no violation would be caused in operations by the charging.[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 th Order No. 2023 Related Changed 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]

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[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]

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[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.

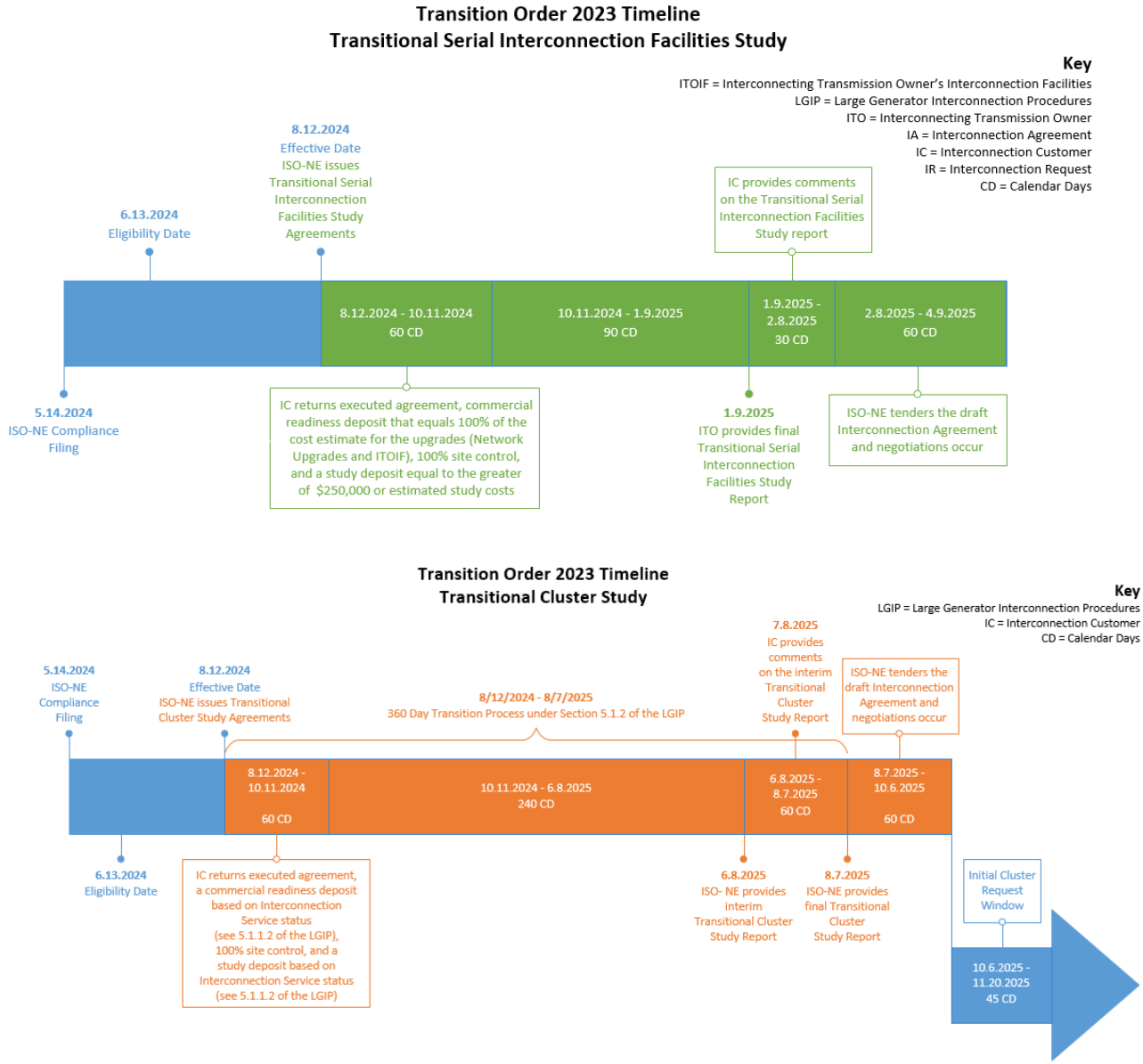
In Order No. 2023, the Commission stated:

> [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 objectives[218] 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]

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[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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