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Submitted Electronically

Honorable Debbie-Anne A. Reese, Esq.
Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

Re: *New York Independent System Operator, Inc.*, Proposed Tariff Revisions to Establish New Large Load Integration Procedures and Related Market Participation Provisions, Request to Hold Show Cause Proceedings in Continued Abeyance, and Request for One-Week Extension of the Comment Period, Docket No. ER27-___-000

Dear Secretary Reese,

In accordance with Section 205 of the Federal Power Act ("FPA")[1] and Part 35 of the Commission's regulations,[2] the New York Independent System Operator, Inc. ("NYISO") submits proposed revisions to its Open-Access Transmission Tariff ("OATT") and Market Administration and Control Area Services Tariff ("Services Tariff").[3] The proposed revisions establish new Large Load Integration Procedures ("LLIP") and related market participation provisions. They are intended to fully satisfy the concerns raised by the Commission in its *Order Instituting Proceeding Under Section 206 of the Federal Power Act* ("Show Cause Order")[4] to the extent that they involve issues that are within the scope of the NYISO's tariff filing authority.[5]

The proposals in this filing are designed to account for issues and conditions in the NYISO region. They build on the NYISO's recently adopted Standard Interconnection Procedures and on various NYISO-specific independent entity variations that are foundational to the interconnection process in New York and that bring many benefits. They also: (i) address the unprecedented near-term resource adequacy challenges, driven in large part by an expected influx of large loads, that the NYISO now faces; (ii) leverage the NYISO's existing "financial" transmission reservation service model to maximize the benefits to flexible large loads and other customers; and (iii) contain various mechanisms to protect customers.

The NYISO's proposals recognize that NYISO is a single-state entity whose operational boundaries coincide with the retail rate and resource adequacy jurisdiction of the New York State

[1] 16 U.S.C. § 824d.
[2] 18 C.F.R. § 35.
[3] Capitalized terms that are not otherwise defined in this filing or in the proposed tariff revisions shall have the meaning specified in the NYISO's OATT or its Services Tariff.
[4] *N.Y. Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,216, at PP 3, 38 (2026) ("Show Cause Order").
[5] Consistent with Paragraph 41 of the Show Cause Order, this transmittal letter explains how the NYISO's specific proposals in this filing are responsive to the Show Cause Order's various preliminary findings and directives.

Public Service Commission ("NYPSC"). The NYPSC has separately launched a proceeding to address state-jurisdictional interconnection reforms that are likely to influence the evolution of Commission-jurisdictional large load rules in New York.[6]

The NYISO's proposal incorporates a compromise approach to resource adequacy requirements, the State Exempt Load Project exception, that is intended to reconcile the NYISO's reliability responsibilities with the NYPSC's resource adequacy authority in a manner that is consistent with cooperative federalism principles.[7] More generally, the NYISO has carefully considered and sought to adhere to the Commission's guidance on large load jurisdictional issues and to respect both federal and state authority while still producing a proposal that effectively meets the NYISO region's needs.

Parts II and III of this transmittal letter describe the NYISO's proposed new LLIP and explain its benefits. Among other things, Parts II and III: (i) describe the NYISO's proposed definition of "Large Load," which reflects minor changes to the Show Cause Order's noted version to reflect NYISO's circumstances; (ii) incorporate clear and detailed large load interconnection rules into the NYISO OATT; (iii) introduce transition rules that balance the timely implementation of the new procedures while avoiding disruptions to existing commercial arrangements that have achieved reasonable progress; (iv) promote timely Large Load interconnections; (v) provide for new types of Commission-jurisdictional transmission services, i.e, "Firm Withdrawal Service" and "Non-Firm Withdrawal Service", that reflect the unique characteristics of both the NYISO's transmission model and of co-located Large Loads, Large Load with behind the meter generation, and flexible Large Loads that are able to limit their use of the system; (vi) delineate the division of responsibilities between the NYISO and transmission-owning utilities under the LLIP; (vii) include detailed application and readiness requirements to deter speculative projects that could unduly shift costs onto existing customers; (viii) establish a Large Load Integration Study Process; (ix) address the identification and cost allocation of upgrades; and (x) describe how alternative transmission technologies will be considered.

Part IV of this transmittal letter describes the various new market participation provisions that the NYISO is proposing to account for the proliferation of Large Loads and to support its Large Load reforms. These proposals include revised and new market rules to govern: (i) Large Loads eligible to be served via Firm Withdrawal Service, (ii) Large Loads or portions thereof and an "Associated Resource(s)" that enter into a "Co-Located Arrangement" or "Partner Resource Arrangement" so that the Large Load may be served via some amount of Firm Withdrawal Service; (iii) Large Loads or portions thereof served via Non-Firm Withdrawal Service and/or are designated Zero Withdrawal Service Loads; (iv) the co-location of Large Loads with Supply.

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[6] *See* Proceeding on Motion of the Commission to Address Interconnection Reforms for Large Load, Order Instituting Proceeding and Soliciting Comments, NYPSC Case No. 26-E-0045 (Feb. 12, 2026).

[7] *See* Part II.G.ii.

Within this framework, the NYISO would, among other things: (i) establish a rule under which Non-Firm Withdrawal Service would be curtailed when the applicable nodal Locational-Based Marginal Price ("LBMP") for a Large Load reaches $200 MW/h; (ii) explain how different categories of Large Loads will interact with the NYISO's capacity market Demand Side Resource rules; (iii) subject all Large Loads to fees and charges on a gross load basis; (iv) adopt a System Reliability Benefit Fee applicable to Large Loads served by some amount of Non-Firm Withdrawal Service to allocate costs to them that are roughly commensurate with the benefits they receive from ICAP Resources and the value of the reliability services that they provide; (v) apply certain data reporting requirements to all Large Loads; (vi) introduce a new Co-Located and Limited Load Configuration market participation model; (vii) use Associated Resource rules tied to NYISO Capacity Regions in lieu of the Show Cause Order's "electrically proximate resource;" (viii) address the extent to which Demand Side Resources and Aggregations may become Associated Resources; (ix) enhance the NYISO's DER and Aggregation participation model rules; (x) sunset the NYISO's existing BTM:NG Resource program; and (xi) update the existing "buyer-side" capacity market power mitigation measures to reflect new issues presented by Large Loads and emerging resource adequacy challenges in New York.

Part V explains why the NYISO is not proposing to adopt the three new transmission services that the Commission established in the PJM Co-Location Order[8] and provides additional information regarding the benefits of the NYISO's established financial transmission reservation model and new Withdrawal Services.

New York's Commission-jurisdictional transmission-owning utilities are concurrently making separate FPA Section 205 filings to address Show Cause Order matters that fall under their reserved filing rights. As discussed in Part VI of this transmittal letter, the traditional New York Transmission Owners ("NYTOs")[9] are making a contemporaneous FPA Section 205 filing that will propose various tariff revisions to the NYISO OATT, principally to Rate Schedule 5, and add several new *pro forma* agreements to the NYISO OATT. Among other things the NYTOs will submit a new two-party *pro forma* cost recovery agreement to address the cost-shifting issues discussed in the Show Cause Order. The non-incumbent transmission owners ("NTOs")[10] that were subject to the Show Cause Order will be making concurrent Section 205 filings to address matters that implicate their reserved filing rights and that reflect the structural differences between them and the NYTOs. The NYISO believes that its Section 205 filing, in combination with the NYTO's and NTOs', will address all of the issues raised by the Show Cause Order.[11]

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[8] *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025).

[9] The NYTOs include Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; New York State Electric & Gas Corporation; Niagara Mohawk Power Corp.; Orange and Rockland Utilities, Inc.; and Rochester Gas and Electric Corporation.

[10] The NTOs include LS Power Grid New York Corporation I ("LS Power NY") and New York Transco LLC.

[11] *See* Show Cause Order at P 38 (requiring the NYISO, NYTOs, and NTOs to collectively address issues concerning, "(a) the application process, study procedures, and ongoing operational requirements that apply to Eligible Customers seeking transmission service on behalf of large loads; (b) additional transparency concerning the Network Upgrade costs to provide transmission service to Eligible Customers on behalf of large loads, a pro forma

Part VII explains that the Commission should determine that this filing is just, reasonable, and not unduly discriminatory and issue an order accepting it under the FPA Section 205 standard of review without requiring any modifications or additional procedures. At the same time, the NYISO consents to the Commission's exercise of its authority to modify or sever any element of the NYISO's proposed tariff revisions to the maximum extent permitted by law.

As noted below in Part VIII, the NYISO's proposal has evolved substantially in response to extensive stakeholder feedback. The NYISO's proposed tariff revisions received the super-majority stakeholder approval required under the NYISO's shared governance model to authorize its submission under FPA Section 205.

Part IX below explains that the NYISO is requesting a February 1, 2027 effective date for the LLIP-related tariff provisions described in Parts II and III, June 1, 2028 for the Large Load market participation provisions set forth in Part IV, and May 1, 2029 for the sunsetting of the existing BTM:NG Resource program which is described in Part IV.I.

Consistent with the August 14, 2026 letter order ("Abeyance Order")[12] in the Show Cause Order proceeding, the NYISO respectfully requests in Part X below that the Commission hold the Section 206 proceedings initiated by the Show Cause Order in continued abeyance pending action on this filing. If the Commission accepts this filing it should also issue an order terminating the Show Cause Order proceeding with respect to the NYISO.[13]

Finally, the NYISO asks that the Commission briefly extend the comment period on this filing from the standard twenty-one days to twenty-eight days. As noted in Part XI a modest extension would provide interested parties with additional time to address the numerous, complex, and consequential issues implicated by the NYISO's proposals and by the Show Cause Order. A one-week extension would also accommodate the Thanksgiving holiday and should not hinder the Commission's review because the NYISO's earliest requested effective date is more than two weeks after the end of the standard sixty-day notice period.

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cost recovery agreement between NYISO, the relevant transmission owner and Eligible Customer taking transmission service on behalf of the large load to mitigate the risk of cost shifting among transmission customers, and a mechanism to ensure such payments are appropriately credited towards transmission owners' transmission revenue requirements consistent with the Commission's cost-of-service regulations; (c) the rates, terms, and conditions of service that apply to co-location arrangements; (d) transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads, load with behind the meter generation, and flexible large loads that are willing and able to limit their use of the transmission system under certain conditions; and (e) the rates, terms, and conditions of service applicable to interconnection customers serving electrically proximate large load or co-located load.").

[12] *N.Y. Indep. Sys. Operator, Inc*.,196 FERC ¶ 61,130 (2026) ("Abeyance Order").

[13] *See* Abeyance Order at P 12.

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I. DOCUMENTS SUBMITTED

The NYISO submits the following with this filing letter:

1. Affidavit of Thinh T. Nguyen ("Nguyen Affidavit") (Attachment I);

2. Affidavit of Zachary T. Smith ("Smith Affidavit") (Attachment II);

3. Affidavit of James Ross Altman ("Altman Affidavit") (Attachment III);

4. Affidavit of Jonathan Newton ("Newton Affidavit") (Attachment IV);

5. Affidavit of Dr. Scott M. Harvey ("Harvey Affidavit") (Attachment V);

6. NYISO Large Load Integration Study Process ("LLISP") Overview Figure (Attachment VI);

7. Large Load Integration Study Process Cycle Figure (Attachment VII);

8. A clean version of the NYISO OATT Attachment LL sections containing the proposed tariff revisions with an effective date of February 1, 2027 (Attachment VIII);

9. A blacklined version of the NYISO OATT Attachment LL sections containing the proposed tariff revisions with an effective date of February 1, 2027 (Attachment IX);

10. A clean version of the NYISO Services Tariff sections containing the proposed tariff revisions with an effective date of February 1, 2027 (Attachment X);

11. A blacklined version of the NYISO Services Tariff containing the proposed tariff revisions with an effective date of February 1, 2027 (Attachment XI);

12. A clean version of the remainder of the NYISO OATT sections containing the proposed tariff revisions with an effective date of February 1, 2027 (Attachment XII);

13. A blacklined version of the remainder of the NYISO OATT sections containing the proposed tariff revisions with an effective date of February 1, 2027 (Attachment XIII);

14. A clean version of the NYISO Services Tariff sections containing the proposed tariff revisions with an effective date of June 1, 2028 (Attachment XIV);

15. A blacklined version of the NYISO Services Tariff sections containing the proposed tariff revisions with an effective date of June 1, 2028 (Attachment XV);

16. A clean version of the remainder of the NYISO OATT sections containing the proposed tariff revisions with an effective date of June 1, 2028 (Attachment XVI);

17. A blacklined version of the remainder of the NYISO OATT sections containing the proposed tariff revisions with an effective date of June 1, 2028 (Attachment XVII).

II. THE NYISO'S PROPOSED TARIFF REVISIONS TO ESTABLISH AND IMPLEMENT LARGE LOAD INTEGRATION PROCEDURES

A. Large Load

In the Show Cause Order, the Commission found that it would be reasonable to define a large load as "a new commercial or industrial customer, located at a single site behind one or more points of interconnection, and that has a peak load of 50 MW or greater and interconnects to the transmission system at a voltage level of greater than 69 kV, and is not part of a co-location arrangement."[14] The Commission stated that an "appropriate definition, including a load size and interconnection voltage threshold, should be based on the characteristics of NYISO's transmission system."[15]

The NYISO proposes to adopt the Commission's definition of Large Load with certain variations described below. In particular, the NYISO proposes to define Large Load for its OATT and Services Tariff as follows:

> **Large Load** shall mean a commercial or industrial Load located at a single site or in close proximity, behind one or more Points of Interconnection, that has a peak Load of 50 MW or greater connected to the New York State Transmission System, which is subject to and has completed the applicable requirements of the Large Load Integration Procedures in Attachment LL of the ISO OATT. For purposes of this definition, Load shall be considered to be located "in close proximity" if it: (i) is located within 2 miles and 2 electrical buses and (ii) is electrically located in the same Capacity Region.[16]

First, the NYISO proposes to provide that the Load may be located either at a single site or in close proximity. As indicated in the definition, the NYISO proposes to define "in close proximity" to mean that the Load is both: (i) located within 2 miles and 2 electrical buses and (ii) is electrically located in the same Capacity Region. Load projects could be spread across a geographic area that necessitate more than one Point of Interconnection (e.g., data center campus) and should be addressed as a single project in assessing their system impacts. The requirement for both 2 miles and 2 buses constitutes a reasonable basis for defining close proximity based on the different topography across the New York State Transmission System, as: (i) there are parts of the system in which 2 buses are located many miles away from each other (e.g. upstate New York), and (ii) additionally, there are parts of the system in which numerous buses can be located within 2 miles (e.g. New York City). In addition, it is necessary that a single Large Load be located within a single Capacity Region for purposes of the

[14] Show Cause Order at P 64.

[15] *Id.*

[16] Proposed OATT Attach. LL § 44.1 (definition of Large Load), 44.3.1.1; Services Tariff § 2.12 (definition of Large Load)

assessment of the reliability impacts of the Large Load, including accounting for any Associated Resources.

Second, the NYISO proposes not to exclude load that is part of a co-location arrangement as in the Commission's definition. The NYISO proposes to establish specific requirements concerning Co-Located Arrangements as described in Part IV.D.

Finally, for purposes of the transition requirements for load projects currently participating in the NYISO's existing load interconnection process, the NYISO proposes to clarify that the requirements applicable to Large Loads in its tariffs apply to those load projects that were subject to and completed the requirements in the Large Load Integration Procedures.

B. Proposed New Transmission Services for Large Loads

The NYISO's proposed rules for the participation of Large Loads in the ISO Administered Markets vary depending on a Large Load's Withdrawal Service(s)[17] classification(s) as determined in the LLIP.[18] Depending on the results of the LLIP, a Large Load may be eligible to receive Firm Withdrawal Service[19] and/or Non-Firm Withdrawal Service[20] and/or to be a Zero Withdrawal Service Load.[21]

The new Firm and Non-Firm Withdrawal Services are described in new Section 3A of the NYISO OATT. They are new forms of Commission-jurisdictional Transmission Service with terms and conditions that reflect the unique operational and reliability challenges that providing transmission service to Large Loads presents to the NYISO system. These challenges are described in the Altman Affidavit. In addition, as described in Part V below and in the Harvey Affidavit the design of new Firm and Non-Firm Withdrawal Services is consistent with the NYISO's existing financial reservation transmission service model. The creation of the new Withdrawal Services is responsive to the Show Cause Order's preliminary finding that the NYISO's tariff appears to be unjust and unreasonable because it does not include transmission services for Eligible Customers taking transmission service on behalf of Eligible Load, or on

[17] *See* proposed Services Tariff § 2.23.

[18] All Large Loads that are subject to the Large Load Integration Procedures as described in Part II.D.i must complete the procedures set forth in Attachment LL of the OATT and meet the requirements, as applicable, to receive Transmission Service under the OATT. *See* proposed Services Tariff § 4.1.6.

[19] "Firm Withdrawal Service" shall be defined as "Transmission Service offered to a Large Load, or a portion thereof, that does not cause adverse impacts to resource adequacy and/or transmission security." *See* proposed OATT Attach. LL § 44.1 (definition of Firm Withdrawal Service).

[20] "Non-Firm Withdrawal Service" shall be defined as "Transmission Service subject to dispatch procedures offered to a dispatchable Large Load, or a portion thereof, that causes adverse impacts to resource adequacy and/or transmission security." *See* proposed OATT Attach. LL § 44.1 (definition of Non-Firm Withdrawal Service). The NYISO would also revise the definition of "Transmission Service" in existing OATT §1.20 to account for and to reference the creation of the new "Withdrawal Services."

[21] A "Zero Withdrawal Service Load" shall be defined as "[a] Large Load or portion thereof that is not authorized under the ISO OATT to withdraw Energy from the NYS Transmission System." *See* proposed Services Tariff § 2.26.

behalf of flexible large loads that are willing and able to limit their use of the transmission system under certain conditions.[22]

For convenience, this transmittal letter sometimes refers informally to the NYISO providing Firm or Non-Firm Withdrawal Service "to" Large Loads or to Large Loads "taking" or "receiving" them. Such references are meant to encompass instances where a Transmission Customer is taking the services on a Large Load's behalf in which a Large Load is acting as its own Load-Serving Entity. They should not be construed as indicating that Firm or Non-Firm Withdrawal Services are not Commission-jurisdictional forms of transmission service.

Firm Withdrawal Service would be available to Large Loads that are determined, through the LLIP, not to cause adverse impacts or violations to resource adequacy or transmission security or which adverse impacts or violations are mitigated as described in Part II.G.i.[23]

A Large Load, or any portion thereof, taking Firm Withdrawal Service will be able to use the transmission system to serve its load in a price-agnostic manner and will be treated in the same manner as other customers taking firm Transmission Service, including with respect to curtailment priority. Firm Withdrawal Service will be subject to NYISO emergency operating procedures, and Large Loads taking such service may be required to curtail for reliability needs consistent with the priority treatment that load resources receive today.[24] All requests for Firm Withdrawal Service will have the same reservation priority, and Firm Withdrawal Service will have the same priority as Firm Point-to-Point Transmission Service. Firm Withdrawal Service will have priority over Non-Firm Withdrawal Service.[25]

Non-Firm Withdrawal Service would be made available to dispatchable Large Loads that are deemed to cause violations or adverse impacts to resource adequacy and/or transmission security, which violations or adverse impacts are not mitigated as described in Part II.G.i.[26] Large Loads taking Non-Firm Withdrawal Service will be eligible to withdraw Energy from the transmission system, subject to a bid cap and other necessary requirements.[27] As described in Part IV.B.ii.b, the NYISO proposes to use a mandatory bid cap of $200/MWh as the mechanism to curtail Non-Firm Large Loads to avoid adverse impacts to the system. Non-Firm Withdrawal Service will be subject to NYISO dispatch and emergency operating procedures.[28]

Zero Withdrawal Service Loads will be either (a) a Limited Withdrawal Service Load in a Co-Located and Limited Load Configuration ("CLLC"), or (b) a Co-Located Located Load in a Co-Located Local Generator Configuration ("CLGC"). Zero Withdrawal Service Loads will be Large Loads that have not requested Withdrawal Service rights and will not be authorized to withdraw Energy from the NYS Transmission System. As described in Part IV.B.ii.e, a Zero

[22] Show Cause Order at PP 109, 112.
[23] Proposed OATT § 1.6.
[24] *Id.* § 3A.1.1.
[25] *Id.* § 3A.3.
[26] *Id.* § 1.14.
[27] *Id.* § 3A.1.2.
[28] *Id.* § 3A.1.2.

Withdrawal Service Load will not participate in the markets but will still be subject to certain requirements if participating under the CLLC model.

C. Large Load Integration Procedures

In the Show Cause Order, the Commission found that, notwithstanding the NYISO's existing load interconnection requirements, the NYISO's existing OATT appears to be unjust and unreasonable because it does not include provisions that address with sufficient clarity and consistency the study process for the provision of transmission service to Eligible Customers on behalf of large loads, including the unique operational characteristics of large loads.[29]

The NYISO proposes to establish new Large Load Integration Procedures, which will be located in Attachment LL to the OATT.[30] The procedures include clear and detailed requirements pursuant to which: (i) an Eligible Customer may submit a Large Load Integration Request for the evaluation of the proposed interconnection of a Large Load Project to the New York State Transmission System and (ii) the NYISO and Transmission Owners, as applicable, will evaluate the proposed interconnection, identify any Attachment Facilities and Network Upgrades required for the reliable interconnection of such project and their estimated costs and schedule, and determine the project's Firm Withdrawal Service or Non-Firm Withdrawal Service amounts or, if requested, its eligibility to proceed as a Zero Withdrawal Service Load.

The NYISO highlights in Part II.C.i key elements of its proposed Large Load Integration Procedures. The NYISO then provides a high-level overview of the new procedures in Part II.C.ii and in the figure in Attachment VI. Finally, the NYISO describes the new procedures in detail in Parts II.D through III, including demonstrating that the procedures are just and reasonable and address the findings of the Show Cause Order in light of the NYISO's distinct planning framework and market structure, its role as a single-state independent system operator ("ISO"), and other New York-specific conditions. The proposed procedures are supported by the affidavit of Thinh T. Nguyen, NYISO Senior Manager of Interconnection Projects ("Nguyen Affidavit").

i. Key Elements of the Large Load Integration Procedures

a) Clear and Detailed Procedures

The NYISO proposes in this filing to establish new Large Load Integration Procedures as described in detail in Parts II.D through III that set forth clear and detailed tariff requirements concerning the application for and the study of the proposed interconnection of Large Load Projects. The NYISO proposes that these new procedures replace its existing load interconnection requirements set forth in Sections 3.9 and 4.5 of the OATT, subject to certain transition requirements.

b) Effective Date and Transition Process

[29] Show Cause Order at PP 3, 46.
[30] *See* proposed OATT Attach. LL § 44.1 (definition of Large Load Integration Procedures).

The NYISO proposes that the Large Load Integration Procedures have an effective date of February 1, 2027, as described in Parts II.D.ii and IX. The NYISO also proposes to establish transition rules that balance timely implementing the new requirements adopted in response to Show Cause Order with minimizing disruptions to those projects that have already completed or progressed to certain defined milestones in the NYISO's existing load interconnection process. As described in Part II.D.ii, the NYISO proposes to establish two transition groups – Transition Group A and Transition Group B – for projects that meet the definition of Large Load and satisfy certain tariff-prescribed milestones and requirements. Projects in Transition Group A must have advanced at least as far as the facilities study stage under the existing rules by a tariff-prescribed deadline and can elect to complete the load interconnection process under the NYISO's existing rules. Projects in Transition Group B must have advanced at least as far as the completion of the system impact study by a tariff-prescribed deadline and can elect to enter the first Large Load Integration Study Process under the new Attachment LL rules, which transition process will not require the performance of a System Impact Study. Finally, the NYISO proposes additional transition rules to facilitate the completion of certain ongoing system impact studies for information purposes as described in Part II.D.ii.

The NYISO's proposed transition framework—under which it seeks to balance parties' expectations based on their relative progress against the proposal's benefits and the need for administrable deadlines—is supported by ample precedent. Market participants do not have a reasonable expectation that market rules will remain unchanged.[31] To the contrary, the Commission has stated that "there is always risk that tariffs and regulations can change, which is a risk that market participants take in a competitive market."[32] Consequently, where, as here, revisions in a Section 205 proposal are filed prospectively, such revisions do not implicate the filed rate doctrine or rule against retroactive ratemaking.[33] Rather, the Commission balances any settled expectations against the benefits of the proposal, and has accepted the revisions where the benefits outweigh such expectations.[34] As discussed in greater detail below, the NYISO's proposal reasonably accounts for parties' expectations by establishing transition rules based on each project's relative stage of development, demonstrated commercial readiness, and size.[35] This is consistent with the Commission's directive to reasonably consider existing commercial arrangements while drawing clear, administrable lines for the proposal's effectiveness.

c) Timeframe of Large Load Integration Procedures

The NYISO proposes a timeframe for the performance of the Large Load Integration Study Process of between one year and six months and two years, including a 90-day period for the performance of the System Impact Study, as described in Part II.E.ii The overall duration depends on when a Large Load Project satisfies the application requirements for entry into the

[31] *See ISO New England Inc.*, 190 FERC ¶ 61,063 at P 35 (2025).

[32] *PJM Interconnection, LLC*, 189 FERC ¶ 61,095 at P 72 (2024); *see also PJM Interconnection, LLC*, 190 FERC ¶ 61,084 at P 191 (2025) ("[I]nterconnection customers are not entitled to any particular rules or processes as of the date they submit an interconnection request. Neither the interconnection process, specifically, nor the tariff, generally, is fixed in time at the point that a customer submits an interconnection request.").

[33] *See PJM Interconnection, LLC*, 190 FERC ¶ 61,084 at PP 189-93.

[34] *See ISO New England, LLC*, 190 FERC ¶ 61,063 at P 34.

[35] *See* Part II.D.ii.

study. The timeframe constitutes a just and reasonable period of time for the NYISO, Transmission Owners, and Eligible Customers to perform their respective responsibilities under the proposed Large Load Integration Study Process as described in Part II.E.ii. These responsibilities include performing preliminary analyses and assessing the feasibility of proposed interconnections, studying the proposed interconnection of the Group of projects participating in the study, including their impacts on the resource adequacy and transmission security of the transmission system, identifying any Attachment Facilities and Network Upgrades required for the reliable interconnection of such project, including determining and allocating the cost estimates for such facilities, and determining the project's Firm Withdrawal Service or Non-Firm Withdrawal Service amounts or, if requested, its eligibility to proceed as a Zero Withdrawal Service Load.

d) Role of Transmission Owners

The NYISO proposes to allocate the scope of responsibilities in the Large Load Integration Procedures between itself and the Transmission Owners as detailed in this filing letter. The proposed allocation is similar to the allocation of responsibilities in the NYISO's existing load interconnection procedures. It accounts for the NYISO's and Transmission Owners' respective planning responsibilities, system knowledge, and access to underlying criteria and data. The parallel division of work will also allow the NYISO and the Transmission Owners, working in parallel, to meet the proposed study timeframes and minimize inefficient and duplicative analyses.

e) Assessment of Reliability Impacts and Determinations of Withdrawal Service

The NYISO proposes that the interconnection of Large Loads must not adversely impact resource adequacy or transmission security. To assess the impacts of Large Loads on the reliability of the New York State Transmission System, the NYISO proposes to establish a Resource Adequacy Impact Standard as described in Part II.G.ii and a Transmission Security Standard as described in Part II.G.iii. The NYISO and Transmission Owners, as applicable, will apply these standards in evaluating the impacts of the proposed interconnection of Large Load Projects.

The NYISO proposes to perform these evaluations for purposes of calculating a Large Load Project's amount of Firm Withdrawal Service and Non-Firm Withdrawal Service and, if requested, its eligibility to be classified as a Zero Withdrawal Service Load. In making this determination, the NYISO will account for available actions to mitigate any adverse reliability impacts as described in Part II.G.i. In particular, a Large Load Project may mitigate its adverse impacts to resource adequacy by associating with new supply – an Associated Resource – or by taking sufficient Non-Firm Withdrawal Service. Further, a Large Load Project may mitigate its adverse impacts on transmission security by agreeing to proceed with Network Upgrades that address the violation or by taking sufficient Non-Firm Withdrawal Service. For certain transmission security violations that can only be resolved with Network Upgrades, the Large Load Project will be required to proceed with Network Upgrades.

f) State Exempt Large Load Projects

After considering comments expressed by the New York State Department of Public Service ("NYDPS") staff during the stakeholder process, the NYISO is proposing tariff language under which it would not include Large Load Projects identified by the NYDPS in the standard application of the NYISO's Resource Adequacy Impact Standard.[36] Such "State Exempt Large Load Projects" would instead be eligible to receive Firm Withdrawal Service so long as their collective impact did not cause a resource adequacy violation.[37] This topic is discussed further in Part II.G.ii below and in the Altman Affidavit.

g) Application Process and Readiness Requirements

The NYISO proposes to establish in Attachment LL detailed application requirements for a Large Load Project to participate in and advance through the Large Load Integration Study Process. This includes requirements for the Eligible Customer to submit a Large Load Integration Request, a non-refundable Application Fee, a Study Deposit, and additional information and requirements as described in Part II.F.ii The NYISO must review and confirm the customer's satisfaction of these requirements for the Large Load Project to proceed in the process. In addition, the NYISO proposes to establish readiness requirements for Large Load Projects. This includes Site Control requirements that must be satisfied with the Large Load Integration Request as described in Part II.F.ii.d and a Readiness Deposit that must be provided for the project to enter the Assessment of Load Integration as described in Part II.H.viii. The inclusion of Study Deposits, Site Control requirements, and Readiness Deposits will assist in deterring speculative or duplicative submissions as contemplated by the Show Cause Order.[38]

h) Study Process

The NYISO proposes to establish a Large Load Study Integration Process in the Large Load Integration Procedures that establishes clear and consistent requirements for the evaluation of proposed interconnections of Large Load Projects to the New York State Transmission System. The NYISO proposes that this process include an Initial Study Phase as described in Part II.H. This phase includes a Resource Adequacy and Modeling Period and a System Impact Study, in which the NYISO and Transmission Owners, as applicable, will perform an initial assessment of the proposed interconnection of a Group of Large Load Projects. This will include applying the Resource Adequacy Impact Standard and Transmission Security Standard to assess the impacts of the Large Load Projects on the New York State Transmission System and evaluating whether the proposed interconnection of each Large Load Project is Physically Infeasible. This study phase will provide Eligible Customers with an initial determination of Attachment Facilities and Network Upgrades with preliminary estimates of the costs and schedule for constructing these facilities, along with a preliminary determination of each Large

[36] The NYISO's stakeholders voted to approve the addition of these new provisions at the October 28th Management Committee meeting.

[37] The exclusion of State Exempt Large Load Projects only applies to the standard application of the Resource Adequacy Impact Standard. Identified State Exempt Large Load Projects are still subject to the Transmission Security Standard discussed further in Part II.G.iii below.

[38] Show Cause Order at P 62.

Load Project's amount of Firm Withdrawal Service and Non-Firm Withdrawal Service and, if requested, its eligibility to be classified as a Zero Withdrawal Service Load.

For Large Load Projects that elect to proceed in the study based on the results of the Initial Study Phase, the NYISO proposes to perform an Assessment of Load Integration as described in Part II.I.i that will evaluate the remaining projects applying the Resource Adequacy Impact Standard and Transmission Security Standard. The NYISO will identify any violations or adverse impacts on the Bulk Electric System and, if more than one project in the Group contributes to a violation, then the NYISO will provide the Transmission Owner with the projects' respective contributions to the identified violation.

In parallel with this analysis, the applicable Transmission Owners will perform Facilities Studies for the remaining Large Load Projects as described in Part II.I.ii to: (i) identify any violations or adverse impacts on the non-Bulk Electric System and the Large Load Projects' respective contributions to such violations and adverse impacts, (ii) develop Network Upgrades to mitigate identified violations, (iii) develop the estimated cost and schedule to construct the Network Upgrades, (iv) allocate the cost responsibility of Network Upgrades among Large Load Projects in the Group based on their respective contributions to the violation or adverse impact, (v) identify the Attachment Facilities required to reliably interconnect the Large Load Projects, and (vi) develop the estimated costs and schedule to construct the facilities. Following the performance of these analyses, the NYISO will post on its website a summary of each Large Load Project's required Network Upgrades, including their estimated costs, and each Large Load Project's final amount of Firm Withdrawal Service and Non-Firm Withdrawal Service and, if requested, its eligibility to be classified as a Zero Withdrawal Service Load.

Finally, as described in Part II.J, the NYISO proposes to establish study requirements: (i) to address the impact of Large Load Projects in New York on Affected Systems in New York and on neighboring planning regions, and (ii) to address the impacts in New York of load projects connecting to neighboring regions.

i) Identification and Cost Allocation of Upgrades

The NYISO proposes that each Large Load Project participating in the Large Load Integration Study Process will be responsible for the costs of the Attachment Facilities and Network Upgrades identified for the safe and reliable interconnection of the project, which costs will be allocated by the Transmission Owner in the Facilities Study. As described in Part II.I.ii, at the conclusion of the Facilities Study, an Eligible Customer that intends for its project to proceed must accept the cost allocation for its Large Load Project's required Attachment Facilities and Network Upgrades and provide the applicable Transmission Owner(s) with security to cover its allocated costs. The Transmission Owners will address in their separate Section 205 filing(s) the projects' cost responsibility for the required facilities as set forth in the appropriate agreements (e.g., cost recovery agreement, interconnection agreement, security agreement).

j) Alternative Transmission Technologies

As described in Part II.I.ii.b, the NYISO proposes that the Transmission Owner, in identifying Network Upgrades in the Facilities Study, consider whether an alternative transmission technology could reasonably be implemented to address the identified violation or constraint and determine whether the above technologies should be used consistent with Good Utility Practice, Applicable Reliability Requirements, and Applicable Laws and Regulations, including providing an explanation of the results for each technology. The alternative transmission technologies include static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting.

k) Transmission Services Agreement

As described in Part III.ii, the NYISO proposes to establish requirements for the Eligible Customer and the Large Load Project (if the Large Load Project is not its own Eligible Customer or Load Serving Entity) to enter into a Transmission Service Agreement with the NYISO for the Large Load Project and proposes a *pro forma* Transmission Service Agreement.[39]

l) Operational Requirements

As described in Part III.iii, the NYISO proposes to establish performance, protection and control, and operating requirements for Large Load Projects. Further, the NYISO proposes to establish a process as described in Part III.iii by which a project may request an exemption from certain of these requirements.

m) Adoption of Requirements from Standard Interconnection Procedures

The NYISO proposes to include in the new Large Load Integration Procedures certain process steps and requirements currently used in its Standard Interconnection Procedures for generating facilities. For example, as described in Part II.H.iv, the NYISO proposes to provide for the Transmission Owner to assess in the Initial Study Phase whether a project may not interconnect due to physical infeasibility, so that such projects can withdraw without incurring or causing significant costs, time, and resources. In addition, the NYISO proposes to use the same or similar requirements as those included in its Standard Interconnection Procedures or elsewhere in its tariffs for study cost allocation, invoicing and payment requirements, confidentiality, dispute resolution, and other standard administrative provisions, which requirements have previously been accepted by the Commission as just and reasonable.

ii. Overview of Large Load Integration Procedures

[39] Proposed OATT Attach. LL § 44.14.2.

The Large Load Integration Procedures are summarized as follows, which requirements are described in detail in Parts II.D through III below, and are illustrated in the overview figure provided in Attachment VI.

The procedures establish that an entity may request at any time information concerning the proposed interconnection of a Large Load by requesting a Pre-Application Report as described in Part II.D.iii below.

The procedures further establish the requirements for the recurring Large Load Integration Study Process as described in Parts II.E through II.J below. To enter a particular study process cycle, an Eligible Customer may submit a Large Load Integration Request for its Large Load Project at any time, including an Application Fee, the Study Deposit 1, information regarding any Associated Resources, a demonstration of Site Control, and all other required information and materials as described in Part II.F.ii. The Eligible Customer must timely cure any deficiencies identified by the NYISO, Connecting Transmission Owner, or Affected Transmission Owner. If the Eligible Customer submits a valid Large Load Integration Request and executes a Large Load Integration Study Agreement, the Large Load Project will be included in the next available Group for participation in the study cycle.

The Large Load Integration Study Process will commence with the Initial Study Phase, which will be performed in two successive rounds – Initial Study Round 1 and Initial Study Round 2 – as described in Part II.H.ii. The Initial Study Round 1 will evaluate Large Load Projects that satisfied the requirements to enter the study cycle prior to the deadline to enter Group 1, and the Initial Study Round 2 will evaluate Large Load Projects that satisfied the requirements to enter the study cycle after the deadline to enter Group 1, but prior to the deadline to enter Group 2.

Each round of the Initial Study Phase will include both the Resource Adequacy and Modeling Period ("RAMP") and the System Impact Study ("SIS"). The RAMP, as described in Part II.H.iii will include the following components: (i) the RAMP Part 1 Process, (ii) the SIS Entry Decision Period, and (iii) the RAMP Part 2 Process. For the RAMP Part 1 Process, the NYISO will preliminarily develop the base case for the System Impact Study, and the Connecting Transmission Owners will prepare preliminary one-line diagrams that identify the Attachment Facilities for the Large Load Projects. The Connecting Transmission Owner will also conduct a Physical Infeasibility Screening of the proposed interconnections of the Large Load Projects. Finally, the NYISO will perform a Resource Adequacy Evaluation to assess the Large Load Projects using the Resource Adequacy Impact Standard. At the conclusion of the RAMP Part 1 Process, the NYISO will commence the SIS Entry Decision Period in which an Eligible Customer will elect for its Large Load Project either to proceed to the System Impact Study or to withdraw from the Load Queue. The NYISO will then conduct the RAMP Part 2 Process to update the base case for the System Impact Study, to develop the scope of the System Impact Study, and to conduct a Scoping Meeting with the Eligible Customers with Large Load Projects in the Group that elected to proceed to the System Impact Study.

The NYISO will then perform the System Impact Study in coordination with the Connecting Transmission Owners and Affected Transmission Owners as described in Part

II.H.vii. The System Impact Study will assess the Large Load Projects using the Transmission Security Standard. The Connecting Transmission Owner and Affected Transmission Owner will preliminarily determine the Attachment Facilities and the Network Upgrades required for the Large Load Project, along with non-binding cost estimates for such facilities, including such facilities necessary for the Large Load Project to be eligible as a Zero Withdrawal Service Load, if requested. The NYISO will preliminarily determine the amount of Firm Withdrawal Service or Non-Firm Withdrawal Service for the Large Load Projects and, if requested, whether the Large Load Project is eligible to be a Zero Withdrawal Service Load. The System Impact Study results will be subject to stakeholder review and comment and must be approved by the stakeholder Operating Committee. Following the completion of the draft System Impact Study Report for Group 1 for the Initial Study Round 1, the NYISO will commence the Initial Study Round 2 for Group 2, which will be performed in accordance with the same requirements as for Group 1.

After the completion of the Initial Study Round 2 for Group 2, the NYISO will commence the ALI Entry Decision Period as described in Part II.H.viii. For this decision period, an Eligible Customer for a Large Load Project that participated in either the Initial Study Round 1 or the Initial Study Round 2 of the Initial Study Phase will either: (i) elect for its Large Load Project to proceed to the Assessment of Load Integration and submit to the NYISO its Study Deposit 2 and Readiness Deposit or (ii) withdraw its Large Load Project from the Load Queue.

The NYISO will then commence the Assessment of Load Integration ("ALI") as described in Part II.I.i for the Group of Large Load Projects that elected to proceed, while the Connecting Transmission Owners and any Affected Transmission Owners will commence in parallel the Facilities Studies for the Large Load Project(s) as described in Part II.I.ii. For the ALI Part 1 Study, the NYISO will (i) evaluate the impact on the Bulk Electric System of the proposed interconnection of the Large Load Projects using the Resource Adequacy Impact Standard and the Transmission Security Standard, (ii) identify any violations or adverse impacts caused by one or more of the Large Load Projects, (iii) if more than one project contributes to a violation or adverse impact, identify and provide to the Transmission Owners the projects' respective contributions to the identified violation, and (iv) update the amounts of Firm Withdrawal Service and Non-Firm Withdrawal Service for each Large Load Project. During the Facilities Study, each Connecting Transmission Owner and Affected Transmission Owner will determine and cost allocate the Attachment Facilities and Local Network Upgrades and Non-Local Network Upgrades to mitigate violations identified by the Connecting Transmission Owner or Affected Transmission Owner on the non-Bulk Electric System, including facilities necessary for the Large Load Project to be eligible as a Zero Withdrawal Service Load, if requested. Where more than one Large Load Project contributes to a violation on the non-Bulk Electric System, the Transmission Owner will determine the projects' respective contributions.

Following the ALI Part 1 Study and the NYISO's identification of any violations on the Bulk Electric System and projects' respective contributions to the violations, each Connecting Transmission Owner and Affected Transmission Owner will determine the Non-Local Network Upgrades to mitigate violations identified by the NYISO on the Bulk Electric System and the cost allocation of each shared upgrade based on the projects' respective contribution to the violations provided by the NYISO for the Bulk Electric System or identified to the Transmission

Owner for the non-Bulk Electric System. The NYISO will then confirm in the ALI Part 2 Study the Non-Local Network Upgrades identified by the Transmission Owner, will designate the final amounts of Firm Withdrawal Service and Non-Firm Withdrawal Service for each Large Load Project, and will confirm eligibility to be classified as a Zero Withdrawal Service Load, if requested. To proceed with its Large Load Project, the Eligible Customer must accept its cost allocation for Attachment Facilities and Network Upgrades required for its project and post related security to the applicable Transmission Owner(s). Following the NYISO's completion of the Assessment of Load Integration and the Transmission Owners' provision of the final results of the Facilities Study, the NYISO will post on its website a summary of: (i) the Network Upgrades identified for each Large Load Project and their estimated costs and (ii) each Large Load Project's final amount of Firm Withdrawal Service and Non-Firm Withdrawal Service and its eligibility to be classified as Zero Withdrawal Service Load.

Following the completion of the Large Load Integration Study Process cycle, the Eligible Customer of a Large Load Project must enter into a security agreement, cost recovery agreement, interconnection agreement and any construction agreements with, as applicable, the Connecting Transmission Owner and any Affected Transmission Owners and Affected System Operators as described in Part III.i. In addition, the Eligible Customer must enter into a Transmission Service Agreement with the NYISO and the Large Load (if the Large Load is not its own Transmission Customer or Load Serving Entity) concerning its amounts of Firm Withdrawal Service and Non-Firm Withdrawal Service as described in Part III.ii.

D. Scope and Effective Date of Large Load Integration Procedures

i. Application of Large Load Integration Procedures

The NYISO proposes that the Large Load Integration Procedures apply: (i) to proposed interconnections of a Large Load Project to the New York State Transmission System and (ii) to proposals to make a Material Modification to an existing load or a Large Load Project interconnected or seeking to interconnect to the New York State Transmission System.[40] The NYISO proposes to define a Large Load Project consistent with its definition of Large Load, as described in Part II.A.[41]

The NYISO proposes to carve out of the Large Load Integration Procedures load projects that are public safety facilities and providers of essential services (*e.g.,* emergency medical services, first responder facilities, or public water supply and treatment facilities), station service, and Critical Electric System Infrastructure Loads.[42] These facilities provide essential public-safety or basic public-health services for which delays or service limitations could create significant public welfare consequences. These projects will still be subject to the applicable Transmission Owner's load interconnection procedures, including any requirements concerning safe and reliable service. In addition, the NYISO proposes that the procedures not apply to a

[40] Proposed OATT Attach. LL §§ 44.1 (definition of Large Load Integration Procedures), 44.3.1.1. The requirements for modifications are described in Part II.F.vi.

[41] Proposed OATT Attach. LL §§ 44.1 (definition of Large Load Project), 44.3.1.1. Large Load Projects include Computational Large Loads and Non-Computational Large Loads.

[42] Proposed OATT Attach. LL § 44.3.1.2.

commercial or industrial Load proposing to connect or connecting to the Long Island Transmission District system at a voltage of 69 kV and below.[43] This exclusion accounts for the Long Island Power Authority's responsibilities concerning the Long Island Transmission District and is consistent with the Commission's proposal that large loads include load interconnecting to the transmission system at a voltage level of greater than 69 kV.

A load project that is not subject to the Large Load Integration Procedures will be subject to the load interconnection procedures of the Transmission Owner to which system it is seeking to interconnect.[44] In addition, the new procedures will not apply to the evaluation of the interconnection of Associated Resources.[45] Such resources will instead be assessed in the applicable generation interconnection procedures or, for non-generation projects, the applicable requirements for registering the resource.

ii. Effective Date of Large Load Integration Procedures and Transition Requirements

In the Show Cause Order, the Commission recognized that different large loads are currently at different stages of existing interconnection processes and that large loads and Eligible Customers taking transmission service on behalf of large loads are negotiating, entering into, and/or have executed various agreements related to interconnecting to the transmission system and/or the provision of transmission service.[46] Accordingly, the Commission indicated that any tariff revisions should "(a) propose a reasonable implementation period to ensure minimal disruption to such existing commercial arrangements, and (b) allow a reasonable amount of time to finalize ongoing agreements that are nearing completion as of the date such Tariff provisions are filed with the Commission."[47] Further, the Commission indicated that "[s]uch proposed Tariff revisions should include a reasonable effective date that accommodates such considerations regarding these existing commercial arrangements."[48]

The NYISO proposes that the Large Load Integration Procedures become effective on February 1, 2027 as described in Part IX.[49] Upon this effective date, the NYISO's existing load interconnection rules in Sections 3.9 and 4.5 of the NYISO OATT will no longer apply and the existing load projects in the NYISO's Queue will be withdrawn, except as otherwise provided in the transition rules described below.[50]

As described below and in the Nguyen Affidavit, the NYISO proposes to establish transition rules for existing load projects in its Queue that reasonably balance the timely implementation of the new requirements adopted in response to Show Cause Order with

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[43] *Id.* § 44.3.1.3.
[44] *Id.* § 44.3.1.4.
[45] *Id.* § 44.3.1.4.
[46] Show Cause Order at P 5.
[47] *Id.*
[48] *Id.*
[49] Proposed OATT Attach. LL § 44.2.1.
[50] Proposed OATT §§ 3.9, 4.5.8, Attach. LL §§ 44.2.1, 44.4. The projects that remain in the Queue will be subject to requirements in the new Attachment LL, except as otherwise indicated in the transition rules. *Id.* § 44.4.1.6.

minimizing disruptions to existing projects that have already completed or progressed to certain defined milestones in the NYISO's existing load interconnection process.[51]

First, the NYISO proposes to retain the Queue Position of a load project in its Queue that, as of the effective date of the new procedures, has completed the study process required by Section 3.9 of the OATT, but has not yet entered service.[52] These load projects have or are in the process of entering into the applicable interconnection agreements and commercial arrangements.

Second, the NYISO proposes to establish a transition group – Transition Group A – for load projects that currently have a Queue Position, satisfy the definition of a Large Load Project, and have met certain milestones and requirements that demonstrate substantial progress in the existing interconnection process in Section 3.9 of the OATT.[53] These projects have already progressed to at least the facilities study stage of the existing process and have provided evidence of their readiness to proceed. Moreover, as described in the Affidavit of James Ross Altman, Senior Manager, Reliability Planning for the NYISO ("Altman Affidavit"), the resource adequacy impacts for these projects have already been studied in the NYISO's biennial reliability assessment, which is pending approval with the NYISO's Board of Directors, and such impacts will be managed through the Reliability Planning Process.[54] Accordingly, the NYISO proposes that these projects may elect to complete the facilities study and proceed in accordance with the existing requirements in Section 3.9 of the OATT.[55]

In particular, to proceed in Transition Group A, an existing load project that satisfies the definition of a Large Load Project must satisfy or have satisfied all of the following requirements: (i) has submitted an interconnection request before June 18, 2026, (ii) has received Operating Committee approval of the scope of its system impact study before June 18, 2026, (iii) has received Operating Committee approval of the report of its system impact study before March 1, 2027, (iv) has one or more qualifying agreements before November 16, 2026,[56] (v) has an ongoing or completed facilities study with a Connecting Transmission Owner and any Affected Transmission Owner before November 16, 2026, or a facilities study is not required for its load project, and (vi) has posted security or made a milestone payment to the Connecting Transmission Owner and any Affected Transmission Owner by March 1, 2027.[57] A load project that elects to proceed in Transition Group A to complete its evaluation in accordance with the

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[51] Nguyen Affidavit at PP 28-32.

[52] Proposed OATT Attach. LL § 44.4.1.1. There are not currently any existing load projects participating in the OATT Section 4.5 load interconnection process.

[53] *Id.* § 44.1 (definition of Transition Group A).

[54] *See* Altman Affidavit at P 19.

[55] Proposed OATT Attach. LL § 44.4.1.2.

[56] A qualifying agreement includes one of the following: (i) a study work agreement (not including the study agreement for the system impact study), (ii) a support services agreement, (iii) a transaction form, (iv) a master services agreement, (v) a cost reimbursement agreement, (vi) a facility study agreement, (vii) an interconnection agreement, (viii) a development agreement, (ix) an engineering, procurement and construction agreement, or (x) a security agreement. *Id.* § 44.4.1.2.1.

[57] *Id.* § 44.4.1.2. To proceed in Transition Group A, the load project must have satisfied requirements (i), (ii), (iv), and (v) at the time of the effective date of the new procedures and requirements (iii) and (vi) by March 1, 2027. *Id.*

existing requirements in Section 3.9 of the OATT will be responsible for mitigating any transmission security violations.[58] That is, such load project that is assessed under the existing tariff rules will be eligible for transmission service consistent with the NYISO's existing tariff requirements and will not be eligible to obtain Non-Firm Withdrawal Service or to be classified as a Zero Withdrawal Service Load. The project may elect to instead enter Transition Group B if it wants to obtain such alternative Withdrawal Service under the new tariff rules.

Third, the NYISO proposes to establish a transition group – Transition Group B – for load projects that currently have a Queue Position, satisfy the definition of a Large Load Project, and have met certain milestones in the existing interconnection process in Section 3.9 of the OATT, but are not as far advanced in the existing process as projects eligible to participate in Transition Group A.[59] These projects have already progressed to at least the conclusion of their system impact study in the existing tariff process and have provided evidence of their readiness to proceed. The Transition Group B projects would be eligible to participate in the first Large Load Integration Study Process – i.e., the Transition Large Load Integration Study Process.[60]

In particular, to proceed in Transition Group B, an existing load project that satisfies the definition of a Large Load Project must satisfy or have satisfied all of the following requirements: (i) has submitted an interconnection request before June 18, 2026, (ii) has received Operating Committee approval of the scope of its system impact study before November 16, 2026, (iii) has received Operating Committee approval of the report of its system impact study before June 1, 2027, (iv) has one or more fully executed qualifying agreements before June 1, 2027,[61] and (v) does not satisfy the requirements to enter Transition Group A or has satisfied these requirement but provides notice to the NYISO of its election to enter Transition Group B instead to be eligible to obtain Non-Firm Withdrawal Service or, if requested, be eligible to be classified as Zero Withdrawal Service Load.[62]

A load project that elects to proceed in Transition Group B may participate in the Transition Large Load Integration Study Process. To do so, it must submit a Large Load Integration Request as part of the transition process and will receive a new Load Queue Position. The transition process will be largely consistent with the NYISO's proposed standard Large Load Integration Study Process, except that the transition process will not include a System Impact Study (or the related requirements for developing such study) as the Transition Group B projects would have already been subject to a system impact study under the Section 3.9 requirements.[63]

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[58] Proposed OATT Attach. LL § 44.4.1.2.

[59] *Id.* §§ 44.1 (definition of Transition Group B), 44.4.1.3.

[60] *Id.* § 44.4.1.3.

[61] *See* footnote 56 above.

[62] Proposed OATT Attach. LL § 44.4.1.3. To proceed in Transition Group B, the load project must have satisfied requirements (i) and (ii) at the time of the effective date of the new procedures and requirements (iii), (iv), and (v) by June 1, 2027. *Id.*

[63] *Id.* § 44.4.1.3.1. As the Transition Group B projects were previously assessed in a system impact study, an Eligible Customer for such project may not make certain modifications when it submits a Large Load Integration Request for the project to participate in the transition process. In particular, the Eligible Customer may not make: (i) any increase in the peak, gross load amount (i.e., MW or MVAR), or (ii) a change to the Point of Interconnection

Finally, the NYISO proposes that it will proceed to complete a system impact study under Section 3.9 of the OATT for information purposes for a load project if, prior to the effective date of the Large Load Integration Procedures: (i) an Eligible Customer has submitted an interconnection request for a load project that is smaller than 50 MW and (ii) the NYISO has commenced the system impact study for the project.[64] The NYISO would retain the load project in the Queue for the duration of the system impact study and would withdraw the project from the Queue upon the delivery of the study report to the Eligible Customer or termination of the study. As the projects are smaller than 50 MW, they will not be eligible to proceed in the NYISO's new process, but the Eligible Customer may complete the system impact study to obtain additional information concerning the proposed interconnection, which may benefit the assessment of the load project in the applicable Transmission Owner's load interconnection procedures.

If an existing load project in the NYISO's Queue does not satisfy one of the above transition requirements, the NYISO will withdraw it from the Queue following the effective date of the new Large Load Integration Procedures.[65] If the withdrawn project satisfies the requirements to participate in the new procedures, the Eligible Customer may reapply to participate in the new Large Load Integration Study Process by submitting a Large Load Integration Request in accordance with the rules described below.[66] If the withdrawn project does not satisfy the new requirements for participation in the Large Load Integration Study Process, it must be evaluated in accordance with the applicable Transmission Owner's load interconnection procedures.[67]

iii. Pre-Application Reports

The NYISO proposes to establish a process in the Large Load Integration Procedures by which an entity may request a Pre-Application Report for information regarding the proposed interconnection of a load project consistent with the definition of Large Load at a particular point on the New York State Transmission System.[68] The proposed process is based on and consistent with the Pre-Application Report process in the NYISO's Standard Interconnection Procedures in Attachment HH of the OATT.[69] It creates a mechanism by which a prospective Eligible Customer may obtain information based on readily available data concerning potential Points of Interconnection to enhance its ability to develop a Large Load Integration Request for a Large Load Project. Based on the NYISO's experience in its Standard Interconnection Procedures as

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that has not been agreed upon by the Connecting Transmission Owner prior to submission of the Large Load Integration Request. *Id.* § 44.4.1.3.2. An Eligible Customer seeking to make such changes may submit the project anew for a subsequent Large Load Integration Study Process.

[64] *Id.* § 44.4.1.4.

[65] *Id.* § 44.4.1.5.

[66] Proposed OATT Attach. LL § 44.4.1.5.

[67] *Id.*

[68] Proposed OATT Attach. LL §§ 44.1 (definitions of Pre-Application Report and Pre-Application Request Form), 44.5.

[69] OATT Attach. HH § 40.4.2. The Attachment HH process was based on the pre-application report process that the Commission incorporated into the *pro forma* Small Generator Interconnection Process in its Order No. 792. *See* Small Generator Interconnection Agreements and Procedures, Order No. 792, 145 FERC ¶ 61,159, at PP 28-82 (2013), *clarified,* Order No. 792-A, 146 FERC ¶ 61,214 (2014).

described in the Nguyen Affidavit, the Pre-Application Report process has improved the applications submitted by Interconnection Customers, reducing deficiencies in the initial submissions and identifying early in the process potential issues with Points of Interconnection and whether the interconnection is subject to the NYISO's procedures.[70]

The NYISO proposes that an entity be able to request at any time a Pre-Application Report by submitting: (i) a Pre-Application Request Form in the form set forth in Appendix 2 to Attachment LL to request information for a single Point of Interconnection and (ii) a non-refundable pre-application fee of $5,000.[71] Upon the NYISO's receipt of the completed form and application fee, the NYISO will provide the information to the applicable Transmission Owner within 5 Business Days.[72] Once the Transmission Owner confirms within 5 Business Days that it is the appropriate Connecting Transmission Owner for the Point of Interconnection and identifies any Affected Transmission Owners to the extent known at that time, it will coordinate with the requesting entity and any Affected Transmission Owner for a pre-application scoping meeting.[73] Within 25 Business Days of this scoping meeting, the Connecting Transmission Owner will complete, in coordination with any Affected Transmission Owner(s), and return the Pre-Application Report.[74]

The Pre-Application Report will be in the form set forth in Appendix 2 to Attachment LL as completed using readily available data to the extent available.[75] This pre-application process is not a mandatory step for an Eligible Customer to proceed into the Large Load Integration Process and is solely for information purposes and is non-binding.[76] The Eligible Customer will be informed if the proposed interconnection is not subject to the Large Load Integration Procedures, and the information report will be completed to the extent possible.[77]

E. Large Load Integration Study Process Start Date and Timeframe

i. Large Load Integration Study Process Start Date

The NYISO proposes to commence the Transition Large Load Integration Study Process, which is applicable to participants in Transition Group B, on June 1, 2027.[78] The NYISO proposes to then commence the first regular Large Load Integration Study Process on July 1,

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[70] Nguyen Affidavit at P 18.

[71] Proposed OATT Attach. LL § 44.5.1.1. The entity may submit additional request forms and fees to request information about additional Points of Interconnection. *Id.* The application fee will be divided 25% to the NYISO and 75% to the Connecting Transmission Owner. *Id.* § 44.5.1.2.

[72] Proposed OATT Attach. LL § 44.5.1.2. If the Transmission Owner is not the appropriate Connecting Transmission Owner, the NYISO will provide the form to the appropriate Connecting Transmission Owner within 5 Business Days. *Id.* § 44.5.1.3.

[73] *Id.* The requesting entity will be required to execute any confidentiality or non-disclosure agreement required by the applicable Transmission Owner for the disclosure of information concerning its system. *Id.*

[74] Proposed OATT Attach. LL § 44.5.1.3.

[75] *Id.* § 44.5.1.4.

[76] *Id.* §§ 44.5.1.4 and 44.5.1.5.

[77] *Id.* § 44.5.1.4.

[78] *Id.* §§ 44.1 (definition of Transition Large Load Integration Study Process Start Date), 44.6.1.1.

2027.[79] The NYISO will commence each subsequent Large Load Integration Study Process on the latter of: (i) one year after the start date of the previous Large Load Integration Study Process, or (ii) the first Calendar Day of the next month following the completion of the most recent ongoing or completed Assessment of Load Integration and Facilities Study.[80] The proposed mechanism for establishing the start date will allow for an end-to-end process whereby the Assessment of Load Integration must be completed for the Group of Large Load Projects participating in each study cycle, including the determination of their cost allocation and provision of security, prior to the commencement of the next Assessment of Load Integration. This will ensure greater certainty concerning process results and reduce potential issues that can arise from the overlapping study work.

ii. Large Load Integration Study Process Timeframe and Process Overlap

The NYISO proposes a timeframe of between approximately one year and six months and two years for the performance of the Large Load Integration Study Process cycle, which includes a 90-day time period to perform the System Impact Study. The overall process timeframe for a particular Large Load Project will depend on when the Eligible Customer has satisfied the application requirements for its project to enter the study cycle. The time period includes the two rounds of the Initial Study Phase for the study cycle, which require approximately six months each, and then the performance of the Assessment of Load Integration and Facilities Study, which are performed in parallel and require approximately one year.[81] The proposed timeframe is illustrated in the figure provided in Attachment VII.

The NYISO acknowledges that the proposed timeframe is longer than the process duration contemplated by the Show Cause Order.[82] However, the timeframe constitutes a just and reasonable period of time in light of the scope of the Large Load Integration Study Process and ensures that the NYISO, Transmission Owners, and Eligible Customers are able to perform their respective responsibilities under this process. As detailed in the Nguyen Affidavit, the

[79] *Id.* §§ 44.1 (definition of Large Load Integration Study Process Start Date), 44.6.1.2. The duration of the Initial Study Phase for the Transition Large Load Integration Study Process will be shorter than for a subsequent process because there will not be a System Impact Study for the transition process. Accordingly, the NYISO is able to commence the first regular Large Load Integration Study Process a month following the start of the transition process. The NYISO will complete the Assessment of Load Integration for the Transition Large Load Integration Study Process prior to the commencement of the Assessment of Load Integration for the subsequent Large Load Integration Study Process.

[80] Proposed OATT Attach. LL § 44.6.1.2.

[81] If a Large Load Project enters in the second round of the Initial Study Phase (i.e., Initial Study Round 2), the overall process duration for its project would be approximately one year and six months.

[82] The Show Cause Order proposes a process duration of 60 to 90 calendar days, resulting in a study that includes any Direct Assignment Facilities and Network Upgrades necessary to accommodate the transmission service request as well as a non-binding good-faith estimate of the cost and the time to construct such facilities. Show Cause Order at P 69. However, the Commission did not detail in the Show Cause Order the scope of the study work that permitted that duration. The Commission did reference Southwest Power Pool's ("SPP") 90-day timeframe for its High Impact Large Load ("HILL") process as an example of the 90-day duration. However, the SPP study is an individual study with non-binding results. SPP has noted that cluster studies may be needed if the volume of large loads becomes large and that such cluster studies will take longer than 90 days, including to address the impacts of customers withdrawing. *Comments of Southwest Power Pool, Inc.,* Interconnection of Large Loads to the Interstate Transmission System, FERC Docket No. RM26-4-000 at 18 (Nov. 21, 2025) ("SPP Comments").

NYISO developed the timeframes for the different study elements, in coordination with the Transmission Owners, based on their extensive experience in performing similar administrative and study work in the existing load interconnection procedures, their performance of comparable study work and process steps in the NYISO's Standard Interconnection Procedures for generator interconnections, and reasonable estimates of the time required to address new process elements required to account for the analyses contemplated by the Show Cause Order and process enhancements detailed in this filing.[83]

The timeframes also account for sufficient time for Eligible Customers to participate in a scoping meeting, to review and comment on study results in the different study phases, and to make informed business decisions on whether to proceed with their projects to subsequent study phases. In addition, this timeframe will provide opportunities for stakeholder review and input in the process. Finally, while the grouping of Large Load Projects into consolidated studies will provide for a more efficient overall process that improves the identification of upgrades across the interconnecting projects than through the performance of overlapping individual studies, assessing projects on a group basis increases the complexity in preparing the studies and the technical analyses with a resulting increase on the time required to perform the studies. This includes the time required to account for the impacts of projects withdrawing from a Group during the study process or at one of the decision points.

The NYISO also proposes that the performance of a given Large Load Integration Study Process overlap with the performance of elements of the prior Transition Large Load Integration Study Process or Large Load Integration Study Process.[84] In particular, the NYISO proposes to perform the two rounds of the Initial Study Phase of a given Large Load Integration Study Process cycle in parallel with the performance of the Assessment of Load Integration and Facilities Study stages of the prior study cycle. This will enable the NYISO to commence the assessment of additional load projects approximately every six months while completing the study work for the prior study cycle.

The NYISO proposes to establish in Attachment LL certain tariff-prescribed timeframes for elements of the Large Load Integration Study Process as described throughout this filing. If the NYISO, Connecting Transmission Owner, Affected Transmission Owner, or Affected System Operator is unable to complete an individual component of the process in accordance with that component's timeframe established in Attachment LL, the NYISO proposes that the entity responsible for performing that component will complete it as soon as practicable, and the NYISO will notify Eligible Customers of any anticipated resulting delay in the overall timeframe of the study process.[85]

F. Large Load Integration Request

In the Show Cause Order, the Commission highlighted the absence of certain process elements in the existing load interconnection process in the NYISO's OATT. In particular, the Commission indicated the absence of: "(i) an application process that accepts Eligible

[83] Nguyen Affidavit at P 11-17.
[84] Proposed OATT Attach. LL § 44.6.1.2.
[85] *Id.* § 44.6.1.3.

Customers' applications for transmission service on behalf of large loads on a rolling basis, (2) a non-refundable application fee, and sufficient readiness requirements that escalate at distinct phases of the study process to deter duplicative or speculative requests for transmission service (e.g. meaningful milestones and/or financial commitments); and (3) information and data requirements that Eligible Customers must submit to NYISO and/or the Transmission Owners regarding the characteristics of the large load on behalf of which the Eligible Customer is taking transmission service, including disclosure to NYISO of any substantially similar pending transmission service requests on behalf of the same large load customer." [86]

The NYISO proposes to establish an application process, along with fees, deposits, and information and data requirements for its Large Load Integration Process that address the Commission's findings concerning the existing tariff rules.

i. Application Process and Timeframe Requirements for Submission of Large Load Integration Request

The NYISO proposes to require that an Eligible Customer submit a Large Load Integration Request and satisfy additional entry requirements for a Large Load Project to enter a Large Load Integration Study Process.[87] For purposes of the Transition Large Load Integration Study Process, the NYISO proposes to establish an application window that commences on March 1, 2027, and concludes on May 31, 2027, during which a project in Transition Group B may satisfy the requirements to enter the study process.[88] The NYISO proposes to separately begin accepting Large Load Integration Requests on April 1, 2027, for Large Load Projects that intend to enter the first regular Large Load Integration Study Process or subsequent processes.[89] Beginning on that date, an Eligible Customer may submit a Large Load Integration Request at any time.[90]

Starting with its first Large Load Integration Study Process after the transition process, the NYISO proposes to include a Large Load Project with a validated Large Load Integration Request and an executed Large Load Integration Study Agreement into the next available Group of projects (i.e., Group 1 or Group 2) that will be evaluated in a Large Load Integration Study Process.[91] In particular, the NYISO will include a Large Load Project in Group 1 for the Initial Study Round 1 of a given study process if the project has not yet been included in a Group evaluated in a previous Large Load Integration Study Process cycle and has satisfied the requirements to enter a Group prior to the deadline for entering Group 1.[92] The NYISO will include a Large Load Project in Group 2 for the Initial Study Round 2 if the project has satisfied

[86] Show Cause Order at P 65.
[87] Proposed OATT Attach. LL § 44.6.2.1.
[88] *Id.* § 44.4.1.3.1.
[89] *Id.* §§ 44.6.1.2, 44.6.2.1.
[90] *Id.* § 44.6.2.1.
[91] *Id.* § 44.6.2.2.
[92] *Id.* § 44.6.2.2.

the requirements for entering a Group after the deadline to enter Group 1, but prior to the deadline to enter Group 2.[93]

ii. Submission Requirements for Large Load Integration Requests

The NYISO proposes that an Eligible Customer be required to submit the following information and data, fees, and deposits for purposes of entering the Large Load Integration Study Process.

a) Request Form

The Eligible Customer must submit a completed Large Load Integration Request in accordance with the form established in Appendix 1 to Attachment LL.[94] The standard form provides for the Eligible Customer to submit information required for the evaluation of the Large Load Project in the Large Load Integration Study Process, including information regarding the project's size, its proposed Point of Interconnection, its association with any Associated Resources, the expected nature of the load project, modeling and operational data, and evidence of its satisfaction of the additional project entry requirements (e.g., Application Fee, Study Deposit, Site Control).[95] In addition, consistent with the requirements in the NYISO's Interconnection Request form for its Standard Interconnection Procedures,[96] the Large Load Integration Request includes an attestation form affirming the accuracy of the submitted information and Eligible Customer's responsibility for study costs, including costs incurred prior to the full execution of the Large Load Integration Study Agreement.

The Show Cause Order identified the lack of requirements in the NYISO's existing tariffs for an Eligible Customer's disclosure to the NYISO of any substantially similar pending transmission service requests on behalf of the same large load customer.[97] The NYISO proposes to clarify as part of the Large Load Integration Request requirements that an Eligible Customer, or an Eligible Customer and one of its Affiliates, cannot submit a request for a mutually exclusive Large Load Project with a Large Load Project in the Load Queue or with a project for which a Large Load Integration Request has been submitted and the NYISO is evaluating for purposes of validation.[98] This is necessary to deter speculative Large Load Integration Requests, including Eligible Customers proposing multiple variations of proposed interconnections.[99] In addition, this is required to enable the identification of physically infeasible projects. The NYISO's proposed approach is consistent with its restriction of the submission of mutually exclusive Interconnection Requests in its Standard Interconnection Procedures.

b) Application Fee

[93] Proposed OATT Attach. LL §§ 44.1 (definition of Large Load Integration Request), 44.6.2.2.
[94] *Id.* § 44.6.3.1.
[95] *Id.* § 44.16.1.
[96] *Id.* § 40.25.1.
[97] Show Cause Order at P 65.
[98] Proposed OATT Attach. LL § 44.6.3.1.
[99] Eligible Customers can use the NYISO's proposed Pre-Application Report process to obtain information concerning alternative Points of Interconnection prior to submitting a Large Load Integration Request.

The Eligible Customer must submit a non-refundable Application Fee in cash in the amount of $10,000 to account for expenses incurred in assessing the Large Load Integration Request.[100] As described in the Nguyen Affidavit, the proposed Application Fee aligns with the expense of assessing applications and is consistent with the Application Fee used in the NYISO's Standard Interconnection Procedures.[101]

c) Study Deposit

The Eligible Customer must submit certain Study Deposits for the Large Load Integration Study Process. As described in Part III.B.i.c, the NYISO proposes to hold the Study Deposit for the duration of the Eligible Customer's participation in the study process until the settlement of the final invoice and will only draw on such deposit if the Eligible Customer fails to timely pay its invoice for study costs.[102]

As part of its submission of its Large Load Integration Request, an Eligible Customer must submit the first study deposit – Study Deposit 1 – in the following amounts based on the size of its load project and whether the project is participating in the Transition Large Load Integration Study Process or a subsequent Large Load Integration Study Process.[103]

Load Project Size	Deposit for Large Load Integration Study Process	Deposit for Transition Large Load Integration Study Process
Less than 200 MW	$100,000	$200,000
Less than 500 MW and greater than or equal to 200 MW	$150,000	$250,000
Greater than or equal to 500 MW	$200,000	$300,000

The deposit amount is higher for participants in the Transition Large Load Integration Study Process as such projects are not subject to a System Impact Study, and instead proceed to the more extensive Assessment of Load Integration following the completion of the Resource Adequacy and Modeling Period. A participant in the Large Load Integration Study Process other than the transition process will be required to submit an additional study deposit – Study Deposit 2 – to increase its study deposit amount to the higher deposit amount if it elects for its project to proceed to the Assessment of Load Integration as described in Part II.H.viii.

As described in the Nguyen Affidavit, the NYISO developed the study deposit amounts based on its experience in conducting its current load interconnection process and similar study work in its Standard Interconnection Procedures. Under its existing rules, a load project must

[100] Proposed OATT Attach. LL §§ 44.1 (definition of Application Fee), 44.6.3.2. The $10,000 amount will be allocated 75% to the NYISO and 25% to the Connecting Transmission Owner. *Id.*

[101] Nguyen Affidavit at P 19; *see also* OATT Attach. HH § 40.5.5.1.3.

[102] Proposed OATT Attach. LL §§ 44.1 (definition of Study Deposit 1), 44.6.3.3., 44.15.4.3.3.

[103] *Id.* § 44.6.3.3.

provide a study deposit of $150,000.[104] While this reasonably covers the costs of the study work for a system impact study under the current process, the NYISO anticipates that there will be increased study costs going forward due to more complex studies resulting from more MWs being introduced into the system model. As described in the Nguyen Affidavit, with system models more constrained, the study work is more complex requiring more engineering work to complete and, as a result, additional study costs.[105] Consistent with its Study Deposit requirements in its Standard Interconnection Procedures, the NYISO proposes to assess different study deposit amounts based on project size to account for the more significant impacts of higher MW projects.[106]

These study deposits will not apply to the Facilities Study, which will be addressed through separate requirements between the Eligible Customer and the applicable Transmission Owner(s).

d) Readiness Requirements/ Site Control

In the Show Cause Order, the Commission indicated that clear and consistent study procedures could include readiness requirements (i.e. meaningful milestones and/or financial commitments) to help ensure that Eligible Customers' requests for transmission service on behalf of large loads are more viable and more likely to materialize as planned, given that they must meet specific milestones and/or pay costs to proceed."[107]

The NYISO proposes two mechanisms for the Eligible Customer to demonstrate the readiness of its project – (i) a demonstration of full Site Control for the Large Load with the Large Load Integration Request[108] and (ii) a Readiness Deposit during the ALI Entry Decision Period, which is described in Part II.H.viii. As described in the Nguyen Affidavit, an Eligible Customer's satisfaction of these requirements provides reasonable evidence of meaningful progress and financial commitment in the development of the Large Load Project.[109]

For purposes of the Site Control requirements, the NYISO proposes to define Site Control consistent with its definition in its Standard Interconnection Procedures adopted in response to Order No. 2023.[110] To satisfy the Site Control requirement, the Eligible Customer

[104] Nguyen Affidavit at P 21. In the NYISO's Standard Interconnection Procedures, the Study Deposit amount is based on the facility size and ranges from $100,000 for a Facility smaller than 80 MW, to $150,000 for a Facility greater than or equal to 80 MW and smaller than 200 MW, to $250,000 for a Facility greater than or equal to 200 MW. *See* OATT Attach. HH § 40.5.5.1.4.

[105] Nguyen Affidavit at P 22.

[106] Notwithstanding the Study Deposit amounts, the NYISO will allocate study costs to the particular Large Load Project responsible for such costs in accordance with cost causation principles as described in Part III.B.i.a). *See* Nguyen Affidavit at P 23.

[107] Show Cause Order at P 62.

[108] Proposed OATT Attach. LL § 44.6.3.4.

[109] Nguyen Affidavit at P 25.

[110] Proposed OATT Attach. LL § 44.1 (definition of Site Control). In particular, Site Control "shall mean the necessary land right sufficient to develop, construct, operate, and maintain the Large Load Project over a term of at least ten (10) years from the date of the submission of the Large Load Integration Request. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Large Load Project; (2)

must submit: (i) the materials demonstrating Site Control permitted by the NYISO's procedures, (ii) an attestation in a form to be set forth in the NYISO's procedures from an officer of the company indicating the amount of acreage required for the Large Load Project and that such acreage amount is covered by the submitted Site Control materials, and (iii) a licensed professional engineer (electrical or civil) signed and stamped site plan that depicts that the Site Control provided by the Eligible Customer can support the proposed arrangement of the Large Load Project.[111]

e) Additional Submission Requirements

The Eligible Customer must indicate whether it will be using an Associated Resource as further described in Part II.G.i.a.[112] If so, the Eligible Customer must submit to the NYISO an Associated Resource Attestation Form in the form set forth in Appendix 7 to this Attachment LL.[113] The form must be executed by both representatives of the Large Load Project and the Associated Resource and indicate their intent to enter into, as applicable, a Partner Resource Arrangement or a Co-Located Arrangement.[114]

In addition, as described in Part III.iii, an Eligible Customer for a Non-Computational Large Load may request an exemption from certain performance or protection and control requirements and provide the necessary information for such exemption.[115] The Eligible Customer must request such exemption through either its Large Load Integration Request or a subsequent modification request.[116]

Finally, an Eligible Customer must indicate whether it is eligible to be a State Exempt Large Load Project as described in Part II.G.ii.b, in which case it must submit a State Exempt Large Load Project Verification through either its Large Load Integration Request or in the ALI Entry Decision Period.[117]

iii. Review and Validation of Large Load Integration Requests

The NYISO proposes to establish requirements for the review and validation of Large Load Integration Requests. These requirements reflect the NYISO's experience in reviewing and validating Interconnection Requests for its Standard Interconnection Procedures.

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an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Large Load Project; or (3) any other documentation that clearly demonstrates the right of Eligible Customer to occupy a site of sufficient size to construct and operate the Large Load Project. The term "necessary land right" restricts the use of the site for mutually exclusive projects, but does not restrict multi-use applications of the site in addition to its use for the Large Load Project, such as agriculture, ranching, etc."

[111] Proposed OATT Attach. LL § 44.6.3.4.

[112] *Id.* §§ 44.1 (definition of Associated Resource), 44.6.3.5.

[113] *Id.* §§ 44.1 (definition of Associated Resource Attestation Form), 44.6.3.5.

[114] *Id.* § 44.6.3.5.

[115] *Id.* §§ 44.1 (definition of Non-Computational Large Load), 44.6.3.6, 44.14.3.4.

[116] *Id.* § 44.14.3.4.

[117] Proposed OATT Attach. LL §§ 44.6.3.7, 44.10.4.1.

A Large Load Integration Request will not be considered to be a valid request until the NYISO has confirmed all of the tariff required items.[118] Within 5 Business Days of its receipt of a Large Load Integration Request submission that includes all of the required items, the NYISO will (i) acknowledge receipt of the request, (ii) confirm receipt of the Application Fee and Study Deposit 1, (iii) identify the Connecting Transmission Owner(s) with which the Large Load is proposing to connect and any Affected Transmission Owner(s) and Affected Systems that the NYISO is aware of, and (iv) make available the information submitted with the Large Load Integration Request and its acknowledgement to the Connecting Transmission Owner(s) and any identified Affected Transmission Owner(s) and Affected Systems.[119] Within this same time period, the Connecting Transmission Owner identified by the NYISO must confirm it is the appropriate Connecting Transmission Owner and confirm the appropriate Affected Transmission Owner(s) and Affected Systems.[120]

Within 15 Business Days of the conclusion of the initial 5 Business Day period, the NYISO will confirm whether all of the elements of the Large Load Integration Request comply with the tariff requirements and review the provided modeling data and models.[121] Within this period, the NYISO will notify the Eligible Customer whether its Large Load Integration Request is valid or includes any deficiencies.[122] The Eligible Customer must provide the NYISO with information required to address a deficiency within 10 Business Days after receipt of such notice.[123] Within 10 Business Days of this submission, the NYISO will review and, if it determines the identified deficiency has not been addressed, will notify the Eligible Customer of the remaining deficiency, which the Eligible Customer must address pursuant to the same process as the initially identified deficiencies.[124] If the NYISO determines that Eligible Customer's Large Load Integration Request is valid or that the Eligible Customer has addressed any deficiencies within the required timeframe, the NYISO will notify the Eligible Customer that the Large Load Integration Request is valid, and such request will proceed as part of the Load Queue.[125]

The NYISO will maintain on its OASIS or publicly accessible portion of its website a list of all valid Large Load Integration Requests, including whether a Large Load Project is a State Exempt Large Load Project.[126] If the Eligible Customer fails to submit additional information

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[118] *Id.* § 44.6.6.1.

[119] *Id.* § 44.6.5.1.

[120] *Id.* § 44.6.5.1.

[121] *Id.* § 44.6.5.2.

[122] *Id.* §§ 44.6.5.3, 44.6.6.1. If the Eligible Customer seeks an exemption from a performance or protection and control requirement, the NYISO will notify the Eligible Customer if additional time to evaluate the requested exemption is required; provide a timeline for completion of any study conducted by the NYISO and applicable Transmission Owner; and notify the Eligible Customer of the determination prior to notifying whether the Large Load Integration Request is valid or includes any deficiencies. *Id.*

[123] Proposed OATT Attach. LL § 44.6.6.2. The Eligible Customer's submission will be limited to addressing the identified deficiency(ies) and must address all deficiencies identified by the NYISO when submitting its attempted cure. *Id.*

[124] *Id.* The NYISO will promptly forward such additional information provided by the Eligible Customer to the Connecting Transmission Owner and Affected Transmission Owner. *Id.*

[125] Proposed OATT Attach. LL § 44.6.6.3.

[126] *Id.* § 44.6.9.

required by the NYISO within the required timeframe or does not satisfy the requirements for a validated Large Load Integration Request within 90 Calendar Days of the Eligible Customer's submission of the Large Load Integration Request, the NYISO will deem the Large Load Integration Request withdrawn without an opportunity to cure.[127]

The NYISO also proposes to establish requirements to obtain information subsequent to the validation of the Large Load Integration Request. In particular, if the NYISO, Connecting Transmission Owner, or Affected Transmission Owner finds: (i) that the technical data provided by Eligible Customer is incomplete or contains errors or (ii) that it requires additional information from the Eligible Customer to perform its responsibilities required under Attachment LL, then such entity will request that Eligible Customer provide such information.[128] The Eligible Customer must then submit such information within five Business Days of the request. If Eligible Customer fails to do so, its Large Load Integration Request will be deemed withdrawn without an opportunity to cure.[129]

iv. Study Agreement

The NYISO proposes to require the Eligible Customer to enter into a study agreement – the Large Load Integration Study Agreement – for the Large Load Integration Study Process with the NYISO, the Connecting Transmission Owner, and any identified Affected Transmission Owner(s) or Affected System Owner(s).[130] The NYISO proposes to establish *a pro forma* study agreement form in Appendix 6 to Attachment LL. The form agreement is based on the study agreement used for the Cluster Study Process in the NYISO's Standard Interconnection Procedures as modified to address the specific terms and requirements for the Large Load Integration Study Process.

The NYISO proposes to tender an executable version of the study agreement as soon as practicable after its verification that the Eligible Customer's Large Load Integration Request is valid.[131] Within 10 Calendar Days of the tendering of the agreement, the Eligible Customer, Connecting Transmission Owner(s), and any Affected Transmission Owner(s) or Affected System Operator(s) must execute the study agreement.[132]

v. Queue Position

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[127] *Id.* § 44.6.6.3.

[128] *Id.* § 44.6.8.

[129] *Id.* § 44.6.8.

[130] *Id.* §§ 44.1 (definition of Large Load Integration Study Agreement), 44.6.7.1. A Large Load Project must separately enter into a Facilities Study agreement with the applicable Transmission Owner(s) if it proceeds to a Facilities Study.

[131] Proposed OATT Attach. LL § 44.6.7.1.

[132] *Id.* § 44.6.7.2. If the NYISO subsequently identifies additional or other Connecting Transmission Owner(s), Affected Transmission Owner(s), or Affected System Operator(s) for the Large Load Integration Request, the NYISO will tender as soon as practicable an amended version of the Large Load Integration Study Agreement, which the parties must execute within 10 Calendar Days. *Id.* § 44.6.7.3.

The NYISO proposes to establish a Load Queue for projects participating in the Large Load Integration Study Process.[133] The NYISO will assign a Load Queue Position for a Large Load Integration Request based upon the date and time of the NYISO's receipt of the Eligible Customer's complete submission of the request.[134] If the NYISO validates the Large Load Integration Request, then the request will retain its assigned Load Queue Position based on the date and time the submission was originally filed.[135] This is consistent with the NYISO's Queue requirements in its Standard Interconnection Procedures.[136]

All Large Load Integration Requests that are a part of a single Group for the Large Load Integration Study Process will be considered equally queued as between the Large Load Integration Requests within the same Group.[137] However, a Large Load Integration Request's individual Load Queue Position will be used to determine priority as between Large Load Integration Requests in the same Group in the event of a Physical Infeasibility determination as described in Part II.H.iv.a.[138] Large Load Integration Requests that are part of a particular Large Load Integration Study Process will be considered to have a higher Load Queue Position than requests that are part of a subsequent study process.[139]

vi. Modifications

The NYISO proposes to establish requirements in the Large Load Integration Procedures for an Eligible Customer to request that the NYISO evaluate whether the Eligible Customer's proposed modification to its existing load interconnected to or proposing to interconnect to the New York State Transmission System or to its Large Load Project is permitted or is a Material Modification.[140] If the NYISO determines pursuant to this process that a proposed modification is a Material Modification, the Eligible Customer may either withdraw the proposed modification request or submit a new Large Load Integration Request in a subsequent Large Load Integration Study Process to be studied for such modification.[141]

a) <u>Modification Review Process</u>

The NYISO proposes modification procedures based on the modification requirements in its Standard Interconnection Procedures. To request a modification, an Eligible Customer must submit to the NYISO: (i) a Load Modification Request in the form of Appendix 3 to this

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[133] *Id.* § 44.1 (definition of Load Queue).
[134] *Id.* §§ 44.1 (definition of Load Queue Position), 44.7.1.1.
[135] Proposed OATT Attach. LL § 44.7.1.1. An Eligible Customer may transfer its Load Queue Position for its Large Load Integration Request to another entity only if: (i) the acquiring entity acquires the specific Large Load Project identified in the Large Load Integration Request, (ii) the Point of Interconnection does not change, (iii) the acquiring entity demonstrates Site Control for the Large Load Project, (iv) the transferring Eligible Customer is up-to-date on payments to the NYISO, and (v) the acquiring entity submits any deposits required for its Large Load Integration Request under Attachment LL. *Id.* § 44.7.1.3.
[136] OATT Attach. HH § 40.6.1.1.
[137] Proposed OATT Attach. LL § 44.7.1.2.
[138] *Id.* § 44.7.1.2.
[139] *Id.* § 44.7.1.2.
[140] *Id.* § 44.7.2.1.
[141] *Id.* § 44.7.2.1.

Attachment LL, (ii) a study deposit in cash in the amount of $10,000, and (iii) any required supporting information or documentation.[142] Upon its receipt of the request, the NYISO will commence and perform any necessary additional studies as soon as practicable, but in no event will the NYISO commence such studies later than 30 Calendar Days after receiving the complete request.[143] For purposes of these studies, the NYISO may assess the modified load or Large Load Project using the Resource Adequacy Impact Standard and the Transmission Security Standard described in Part II.G.[144] In response to Eligible Customer's request, the NYISO will evaluate, with input from, as applicable, the Connecting Transmission Owner, Affected Transmission Owner, and Affected System Owner, the proposed modification, including performing any studies to determine whether it deems the requested modification material based on the nature of the modification.[145] For purposes of this determination, the NYISO may consider, as further detailed in its procedures, whether the proposed modification would result in a material difference in the defining electrical characteristics of the existing load or the Large Load Project in a manner that is adverse to system reliability or that will have a material impact on the cost or timing of any Large Load Integration Request with an equal or lower Load Queue Position.[146]

The NYISO will inform the Eligible Customer in writing of whether the requested modification would constitute a Material Modification and whether the modification would result in a change to the load project's Firm Withdrawal Service or Non-Firm Withdrawal Service.[147] The Eligible Customer will retain its Load Queue Position if its requested modification is determined not to be a Material Modification.[148]

b) Modifications During Large Load Integration Study Process

With limited exceptions described below, the NYISO proposes that an Eligible Customer not be permitted to request a modification to the information provided in its validated Large Load Integration Request for its Large Load Project until the completion of, as applicable, the Transition Large Load Integration Study Process or Large Load Integration Study Process and the Facilities Study in which the Large Load Project is participating, which modification would constitute a Material Modification.[149] As described in the Nguyen Affidavit, this is because such modifications would require updated models which may require updates to base cases and auxiliary study files and therefore would delay the performance of the study adversely impacting all study participants.[150] Once the study is completed, an Eligible Customer may again request

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[142] *Id.* § 44.7.2.2. The proposed modification must be accompanied by any resulting updates to the models included in such requests to the extent required in the Load Modification Request. *Id.*

[143] Proposed OATT Attach. LL § 44.7.2.3. Any additional studies resulting from such modification will be done at Eligible Customer's cost. *Id.*

[144] *Id.* § 44.7.2.3.

[145] *Id.* § 44.7.2.4.

[146] *Id.* §§ 44.1 (definition of Material Modification), 44.7.2.4.

[147] Proposed OATT Attach. LL § 44.7.2.4.

[148] *Id.* § 44.7.2.2.

[149] *Id.* § 44.7.2.2. This is consistent with the NYISO's Standard Interconnection Procedure which prohibit modifications during the study process with limited exceptions. OATT Attach. HH § 40.6.3.

[150] Nguyen Affidavit at P 37.

the NYISO's review of proposed modifications to determine whether they are permitted under the Large Load Integration Procedures and are not material.

The NYISO proposes the following limited exceptions to this restriction on modifications during the Large Load Integration Study Process. The Eligible Customer may request a modification for its Large Load Project: (i) to reduce the project size in the SIS Entry Decision Period or the ALI Entry Decision Period, provided that the project with the reduced size continues to satisfy the definition of Large Load Project, (ii) to modify the Point of Interconnection for the project to address Physical Infeasibility in the SIS Entry Decision Period or in the ALI Entry Decision Period, provided that the modification is agreed upon with the Connecting Transmission Owner and does not modify the electrical characteristics of the project, or (iii) to include or change the Associated Resource(s) that satisfy the Associated Resource requirements in the ALI Entry Decision Period.[151] This set of modifications will provide Eligible Customers with a limited opportunity to modify their projects in response to preliminary input in the Initial Study Phase. The permitted modifications will generally reduce or lessen the severity of the reliability issues identified for the project, which minimizes the potential impact of such modifications on other projects participating in the study.

c) Material Modifications

Notwithstanding the modification review process, the NYISO proposes that the following modifications will be considered a Material Modification and require the submission of a Large Load Integration Request under the Large Load Integration Procedures.[152]

First, the NYISO proposes to establish certain requirements concerning modifications to existing loads that are already integrated into the transmission system. Large existing loads in New York are primarily traditional manufacturing load that have been managed for years with a good understanding of their potential reliability impacts. Accordingly, the NYISO proposes to only evaluate modifications to existing load in the Large Load Integration Procedures if a modification has the potential for significant impacts to the Bulk Electric System. For an existing load that is in service prior to June 18, 2026, the NYISO proposes that an increase in the peak, gross load amount by 50 MW or greater compared to the baseline MW value (as reported by the Connecting Transmission Owner) will be a Material Modification and require study in the Large Load Integration Study Process. If, however, such existing load proposes to change its load type and thus its operational characteristics (e.g., changing from a manufacturer to a data center), the NYISO proposes that a smaller increase in the peak, gross load amount by 10 MW or greater compared to the baseline MW value (as reported by the Connecting Transmission Owner) would constitute a Material Modification so that the NYISO can assess the reliability impacts of this change.

Second, for load projects participating in Transition Group A and for subsequent Large Load Projects participating in the Transition Large Load Integration Study Process or a Large Load Integration Study Process, the NYISO proposes that an increase in the peak, gross load

[151] Proposed OATT Attach. LL § 44.7.2.2.1.
[152] *Id.* § 44.7.2.1.1.

amount by 10 MW or greater compared to the baseline MW value will constitute a Material Modification.[153] The Large Load Project is permitted to increase its size less than 10 MW without such modification being a Material Modification. However, this 10 MW amount is determined on a cumulative basis. For example, if a 100 MW load seeks to increase its size by 5 MW, such modification will not be a Material Modification. If, however, the Large Load seeks a second 5 MW increase that brings its cumulative increase from the initial 100 MW to 110 MW, this second increase would constitute a Material Modification.

Finally, the NYISO proposes that any change to the Point of Interconnection for an existing load or a Large Load Project is a Material Modification, except as permitted during the SIS Entry Decision Period or ALI Entry Decision Period as described above.

vii. Withdrawal

The NYISO proposes to establish withdrawal requirements for the Large Load Integration Procedures.[154] In particular, an Eligible Customer may withdraw its Large Load Integration Request at any time by submitting written notice of such withdrawal to the NYISO.[155] Further, if an Eligible Customer fails to adhere to all requirements of these Large Load Integration Procedures, the NYISO will deem the Large Load Integration Request to be withdrawn and shall provide written notice to the Eligible Customer of the withdrawal and an explanation of the reasons for such withdrawal.[156]

The NYISO proposes that the Eligible Customer have a cure period of 15 Business Days in which to either respond with information or actions that cures the deficiency or to notify the NYISO of its intent to pursue Dispute Resolution.[157] The NYISO, however, proposes that certain time-critical deadlines will not be eligible for a cure period.[158] This will reduce the potential for study delays that adversely impact all Large Load Projects participating in the study. This is consistent with the withdrawal requirements in the NYISO's Standard Interconnection Procedures.[159]

The withdrawal of a Large Load Project will result in the loss of the Eligible Customer's Load Queue Position.[160] An Eligible Customer that withdraws or is deemed to have withdrawn

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[153] The "baseline MW value" will be determined as set forth in the NYISO's procedures.

[154] Proposed OATT Attach. LL § 44.7.3.

[155] *Id.* § 44.7.3.1.

[156] *Id.* § 44.7.3.1.

[157] *Id.* § 44.7.3.1.

[158] The time critical deadlines include (i) the deadline for an Eligible Customer to cure a deficiency in its Large Load Integration Request identified by the NYISO; (ii) the deadline for an Eligible Customer to cure a deficiency in its submission of information; (iii) the deadline for the SIS Entry Decision Period; (iv) the deadline for the ALI Entry Decision Period; and (v) the deadline for the Eligible Customer to satisfy a milestone demonstrating that it accepts its cost responsibility for Network Upgrades and Attachment Facilities in accordance with the requirements established by the applicable Transmission Owner.

[159] OATT Attach. HH § 40.6.4.1.

[160] Proposed OATT Attach. LL §§ 44.7.3.2, 44.7.3.3. If the Eligible Customer disputes the withdrawal and loss of its Load Queue Position, then during Dispute Resolution, the Eligible Customer's Large Load Integration Request is eliminated from the Load Queue until such time that the outcome of Dispute Resolution would restore its Load Queue Position. *Id.*

its Large Load Integration Request is responsible for paying the NYISO, Connecting Transmission Owner, and Affected Transmission Owner all costs that they prudently incurred with respect to that Large Load Integration Request prior to the receipt of the notice described above.[161] The NYISO will conduct a final reconciliation of Eligible Customer's costs and for returning or cancelling deposits.[162] In the event of a withdrawal, the NYISO, Connecting Transmission Owner, and Affected Transmission Owner, as applicable, subject to non-disclosure arrangements, will provide, at Eligible Customer's request, supporting documentation, workpapers, and databases or data that the NYISO and Connecting Transmission Owner developed in the preparation of the applicable study conducted up to the date of withdrawal of the Large Load Integration Request.[163]

G. Assessment of Reliability Impacts and Determination of Withdrawal Service

i. Determination of Withdrawal Service

The NYISO proposes to determine the amounts of Firm Withdrawal Service and Non-Firm Withdrawal Service for each Large Load Project and, if requested, to determine eligibility to be classified as Zero Withdrawal Service Load, based on both the resource adequacy and transmission security impacts of the project and available actions to mitigate any adverse reliability impacts.[164] This approach ensures the reliability of the New York State Transmission system and that Large Loads will be responsible for the costs associated with mitigating any adverse impacts to system reliability resulting from their interconnection.

For purposes of assessing the reliability impacts of the proposed interconnection of a Large Load Project, the NYISO proposes to establish a Resource Adequacy Impact Standard (as described in Part II.G.ii) and a Transmission Security Standard (as described in Part II.G.iii). The NYISO proposes that the analyses be applied to ensure that New York State Transmission System facilities are sufficient to reliably serve existing load and meet load growth and changes in load patterns in compliance with Applicable Reliability Requirements.[165] These requirements include New York State Reliability Council ("NYSRC") Reliability Rules, Northeast Power Coordinating Council ("NPCC") Basic Design and Operating Criteria, North American Electric Reliability Corporation ("NERC") Planning Standards, NYISO rules, practices and procedures, and the applicable Transmission Owner criteria included in FERC Form No. 715.[166] These Applicable Reliability Requirements are consistent with the NYISO's requirements for its Standard Interconnection Procedures.[167] The NYISO and Transmission Owners, as applicable, will apply the Resource Adequacy Impact Standard and Transmission

[161] Proposed OATT Attach. LL § 44.7.3.2.
[162] *Id.* § 44.7.3.3.
[163] *Id.* § 44.7.3.4. The Eligible Customer must pay all monies due to the NYISO, Connecting Transmission Owner, and Affected Transmission Owner before it is allowed to obtain any Large Load Integration Study Process data or results. *Id.* § 44.7.3.2.
[164] Proposed OATT Attach. LL §§ 44.8, 44.8.3.1.
[165] Proposed OATT Attach. LL § 44.8.
[166] *Id.* §§ 44.1 (definition of Applicable Reliability Requirements), 44.8.
[167] OATT Attach. HH § 40.12.1.2.

Security Standard in line with these Applicable Reliability Requirements in the appropriate studies in the Large Load Integration Study Process as described below.

If there are no adverse impacts or violations, as applicable, identified in accordance with the Resource Adequacy Impact Standard or Transmission Security Standard as described below, the Large Load Project may proceed with Firm Withdrawal Service.

a) Addressing Adverse Impacts Under Resource Adequacy Impact Standard

If an adverse impact is identified under the Resource Adequacy Impact Standard, a Large Load Project may mitigate the adverse impacts through its association with an Associated Resource and remain eligible for Firm Withdrawal Service.[168] In such case, the Large Load Project will obtain Non-Firm Withdrawal Service until a Large Load Bilateral Transaction with an Associated Resource, as part of a Co-Located Resource Arrangement or Partner Resource Arrangement, is initially certified.[169] Alternatively, the Large Load Project may elect to proceed with Non-Firm Withdrawal Service (in full or part) without proposing an association with an Associated Resource.

These Withdrawal Service alternatives are illustrated in the following figure:

Adverse Impact Under Resource Adequacy Impact Standard	Eligible Withdrawal Service
No	Firm
Yes (with an Associated Resource that fully mitigates adverse impact)	Firm*
Yes (with an Associated Resource that partially mitigates adverse impact)	Partial Firm* and partial Non-Firm
Yes (without an Associated Resource)	Non-Firm
* Non-Firm until Large Load Bilateral Transaction with an Associated Resource is initially certified	

A Large Load may enter into an arrangement with an Associated Resource for the Large Load to obtain an amount of Firm Withdrawal Service – including a Partner Resource Arrangement with a Partner Resource and a Co-Located Arrangement with a Co-Located Resource. For a Resource to be eligible to be an Associated Resource, the Resource: (i) must complete the interconnection study process and obtain sufficient Capacity Resource Interconnection Service rights, except if the Partner Resource is a Demand Side Resource, (ii) must be a proposed project that does not yet meet the inclusion rules for the Reliability Planning

[168] Proposed OATT Attach. LL § 44.8.3.3.
[169] *Id.* § 44.8.3.3.

Process at the time the Large Load Integration Request is validated, (iii) is a new Installed Capacity Supplier, and (iv) is not another Large Load participating in the ISO-Administered Wholesale Markets as a Demand Side Resource that has obtained Firm Withdrawal Service through a Partner Resource Arrangement or Co-Located Arrangement.[170] In addition, for a Co-Located Arrangement, the Resource must be co-located behind the same Point of Interconnection as the given Large Load.[171] Further, for a Partner Resource Arrangement, the Resource must be located in the same Capacity Region as the given Large Load.[172]

For all arrangements between a Large Load and an Associated Resource, the arrangements must satisfy all applicable requirements for a term of 15 years and have a Large Load Bilateral Transaction in place for the full term.[173] If the Associated Resource exits the NYISO administered markets or the arrangement otherwise fails to comply with applicable requirements prior to the end of the 15-year term, then the Large Load ceases to be eligible for the amount of Firm Withdrawal Service that depends on the arrangement with the Associated Resource, as further detailed under the proposed provisions in the Services Tariff and the OATT.[174] The Associated Resource eligibility and ongoing requirements are further discussed below in Part IV.F.

b) Addressing Violations Under Transmission Security Standard

If a violation is identified under the Transmission Security Standard, a Large Load Project may either take Non-Firm Withdrawal Service or may proceed with Network Upgrades that mitigate the violation.[175] In such case, the Large Load Project will obtain Non-Firm Withdrawal Service until the Network Upgrades are complete and in service, after which the Large Load Project will obtain Firm Withdrawal Service.[176] Notwithstanding the impact on Withdrawal Service, certain transmission security violations cannot be mitigated by the project taking Non-Firm Withdrawal Service and require Network Upgrades (as described in Part II.G.iii below). For these upgrades that are necessary for the project to obtain Non-Firm Withdrawal Service or, if requested, to be eligible to be classified as a Zero Withdrawal Service Load, the Large Load Project may not enter service until such Network Upgrades are complete and in service or the NYISO and applicable Transmission Owner determine that such reliability impacts can be managed through normal operating procedures until the Network Upgrades are complete.[177] These Withdrawal Service alternatives are illustrated in the following figure:

Violation Under Transmission Security Standard	Eligible Withdrawal Service
No	Firm

[170] *Id*. § 44.6.4.1, 44.6.4.2.
[171] *Id*. § 44.6.4.1.
[172] *Id*. § 44.6.4.2.
[173] *Id*. § 44.6.4.3.
[174] *See, e.g., id*. § 44.6.4.3; Services Tariff § 4.1.12 & 5.18.
[175] Proposed OATT Attach. LL § 44.8.3.3.
[176] *Id.* § 44.8.3.3.
[177] *Id.* § 44.8.3.3.

Yes (without proceeding with Network Upgrades required for Firm Service)*	Non-Firm
Yes (with Network Upgrades required for Firm Service)*	Firm (once Network Upgrades enter service)
* The Large Load Project must proceed with the construction of those Network Upgrades that are necessary, notwithstanding Non-Firm Withdrawal Service, to resolve certain transmission security issues.	

c) Withdrawal Service Based on Results Under Both Resource Adequacy Impact Standard and Transmission Security Standard

The NYISO's final determination concerning Withdrawal Service will be based on both the results of the analyses using the Resource Adequacy Impact Standard and the Transmission Security Standard and any mitigation actions concerning adverse impacts or violations identified based on either of these standards. For example, a Large Load Project for which there are no adverse impacts on resource adequacy may still be limited to Non-Firm Withdrawal Service if there are transmission security violations that are not mitigated in the manner described above.

d) LIPA Exception Regarding Non-Firm Withdrawal Service

The NYISO proposes to include in its Withdrawal Service requirements, to the extent accepted by the Commission, the following exception requested by the Long Island Power Authority concerning the application of Non-Firm Withdrawal Service for projects interconnecting in the Long Island Transmission District. In particular, Non-Firm Withdrawal Service and the procedures for studying Non-Firm Withdrawal Service under the Large Load Integration Procedures for the Long Island Transmission District will only apply if dispatch procedures applicable to serving a Large Load on a non-firm basis have been adopted by the Board of Trustees for the Long Island Power Authority in accordance with Article 5, Title 1-A of the New York Public Authorities Law.[178] The Long Island Power Authority requested this exception based on its status as a non-jurisdictional utility under the Federal Power Act and will provide its more detailed justification for this proposed exception in a separate filing.

ii. Resource Adequacy Impact Standard

The NYISO proposes to establish a Resource Adequacy Impact Standard to evaluate the impact of each Large Load Project on the resource adequacy of the New York Control Area using probabilistic evaluations consistent with the Applicable Reliability Requirements, including the NYSRC Reliability Rules.[179] This analysis will enable the NYISO to determine whether the Large Load Project proposing to interconnect to the New York State Transmission System: (i) is eligible to obtain Firm Withdrawal Service or (ii) due to the resource adequacy impacts, may either proceed with such service with an Associated Resource or is only eligible to

[178] Proposed OATT Attach. LL § 44.8.3.1.1.
[179] *Id.* §§ 44.1 (definition of Resource Adequacy Impact Standard), 44.8.1.1.

obtain Non-Firm Withdrawal Service. This places responsibility for the Large Load Project's impacts to the transmission system with the Large Load.

The NYISO proposes to apply this Resource Adequacy Impact Standard in the Resource Adequacy Evaluation performed during the RAMP Part 1 Process as described in Part II.H.iv.b.[180] The NYISO will then perform this assessment anew in the Assessment of Load Integration as described in Part II.I.i and at any point thereafter as part of a review of a Large Load Project's requested modification as described in Part II.F.vi, in each case if the Large Load Project modifies its load or includes or modifies any Associated Resources.[181]

For purposes of this assessment, the NYISO proposes to use the most recent resource adequacy model from the Reliability Planning Process, as updated in accordance with the NYISO's procedures.[182] The NYISO will test a Large Load together with any Associated Resource(s), with the assumption that the Associated Resource(s) will obtain Capacity Resource Interconnection Service.[183] The NYISO will consider the operating characteristics of the Large Load Project and any Associated Resource(s) as part of this evaluation.[184]

The amounts of Firm Withdrawal Service and Non-Firm Withdrawal Service determined using the Resource Adequacy Impact Standard will be subject to change based on: (i) the determinations using the Transmission Security Standard as described below and (ii) available actions to mitigate any adverse reliability impacts as described above.[185]

a) Resource Adequacy Impact Standard Except for State Exempt Large Load Projects

The NYISO proposes to apply the Resource Adequacy Impact Standard differently depending on whether or not a Large Load Project is identified by the NYDPS as a State Exempt Large Load Project as described below. The NYISO proposes to apply the Resource Adequacy Impact Standard in the manner described: (i) in this Part II.G.ii.a for Large Load Projects that are not identified as State Exempt Large Load Projects and (ii) in Part II.G.ii.b for State Exempt Large Load Projects.

The NYISO proposes to apply the Resource Adequacy Impact Standard in the following manner to determine the amount of Non-Firm Withdrawal Service and Firm Withdrawal Service that the Large Load Project is eligible for based on resource adequacy impacts to the New York Control Area.[186] The NYISO will evaluate a Large Load Project for years 1 through 10 of the study to determine the extent that the project degrades resource adequacy in consideration of any offset by an Associated Resource.[187] If the Large Load Project degrades resource adequacy by

[180] *Id.* § 44.8.1.2.
[181] *Id.* § 44.8.1.2.
[182] *Id.* § 44.8.1.3.
[183] Proposed OATT Attach. LL § 44.8.1.3.
[184] *Id.* § 44.8.1.3.
[185] *Id.* § 44.8.1.6.
[186] *Id.* §§ 44.8.1.1, 44.8.1.4.
[187] *Id.* § 44.8.1.4.1.

25 MW or less, the Large Load Project will be eligible for Firm Withdrawal Service in its full requested amount, provided that it completes any identified Network Upgrades to address any violations of the Transmission Security Standard.[188] If the Large Load Project degrades resource adequacy by greater than 25 MW, the Large Load Project will be eligible for a partial amount of Firm Withdrawal Service.[189] The NYISO will determine the partial amount based on how much of the Withdrawal Service must be Non-Firm Withdrawal Service to bring the Loss of Load Expectation to the pre-project level.[190]

As described in the Altman Affidavit, the Resource Adequacy Impact Standard is just and reasonable because it provides a clear requirement for the integration of Large Load Projects to not adversely impact NYCA resource adequacy and, thus, reliability.[191] The use of the Resource Adequacy Impact Standard is particularly important when the NYISO faces statewide resource deficiencies, which it has recently identified beginning in 2033 in its current longer-term reliability planning assessment.[192] In applying the 25 MW impact threshold, the NYISO will employ a probabilistic evaluation comparable to those used in evaluating resource adequacy under the rules established by NYSRC and calculate the Large Load Project's MW impact.[193] The proposed methodology that the NYISO will use to calculate the 25 MW impact threshold is also reasonable and consistent with the NYISO's longstanding consideration of similar impacts when studying proposed interconnections to the New York State Transmission System.[194] Using a threshold, as opposed to a precise calculation, provides a reasonable tolerance commensurate with the degree of precision in the models and avoids potentially subjecting Large Load Projects to adverse findings based on the modeling that are immaterial to a project's impact to reliability.[195]

b) Resource Adequacy Impact Standard for State Exempt Large Load Projects

The NYISO proposes to establish a category of Large Load Projects – State Exempt Large Load Projects – that will be subject to an alternative Resource Adequacy Impact Standard. The NYISO proposes that the NYDPS may identify a Large Load Project as a State Exempt Large Load Project through an exemption process adopted by the NYPSC in its ongoing large load interconnection proceedings.[196] The Eligible Customer must provide this verification as part of either the project's submission of its Large Load Integration Request or during the ALI Entry Decision Period.[197]

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[188] *Id.* § 44.8.1.4.1.1.
[189] Proposed OATT Attach. LL § 44.8.1.4.1.2.
[190] *Id.* § 44.8.1.4.1.2.
[191] Altman Affidavit at P 21.
[192] *Id.* at PP 10-18.
[193] *Id.* at P 24.
[194] *Id.* at P 25.
[195] *Id.* at P 26.
[196] *See* Proceeding on Motion of the Commission to Address Interconnection Reforms for Large Load, Order Instituting Proceeding and Soliciting Comments, NYPSC Case No. 26-E-0045 (Feb. 12, 2026).
[197] Proposed OATT Attach. LL §§ 44.6.3.7, 44.10.4.2.

For State Exempt Large Load Projects, the NYISO will apply the Resource Adequacy Impact Standard to evaluate the collective impact of the State Exempt Large Load Projects within a Group to determine their eligibility for Firm Withdrawal Service.[198]

The NYISO will perform this evaluation as follows. If the collective impact of the State Exempt Large Load Projects within a Group does not violate the resource adequacy criterion contained in the NYSRC Reliability Rules for years 1 through 5 of the study, then those projects will be eligible for Firm Withdrawal Service in their full requested amounts.[199] The NYISO proposes to use the resource adequacy criterion contained in NYSRC Reliability Rules as it captures the applicable standard for New York for ensuring that there are adequate resources to maintain system reliability.[200]

For purposes of the preliminary Resource Adequacy Evaluation performed during the Initial Study Phase, the NYISO will report the results of the evaluation for informational purposes if the collective impact of the State Exempt Large Load Projects within a Group violates the resource adequacy criterion contained in the NYSRC Reliability Rules for years 1 through 5 of the study.[201]

For purposes of the NYISO's subsequent analyses applying the Resource Adequacy Impact Standard in the Assessment of Load Integration, the NYISO proposes to perform the following more detailed assessment. If, during the evaluation, the collective impact of the State Exempt Large Load Projects within a Group violates the resource adequacy criterion contained in the NYSRC Reliability Rules for years 1 through 5 of the study, the NYISO will notify the Eligible Customers, NYDPS, and applicable Transmission Owners of the results.[202] Within 60 Calendar Days of the NYISO providing this notice to NYDPS, an authorized representative of NYDPS may inform the NYISO that it is revoking the State Exempt Large Load Project Verification(s) for one or more of the Large Load Projects in the Group. If the State Exempt Large Load Project Verification(s) remain valid, such Large Load Project(s) will continue as State Exempt Large Load Project(s). In such case, the NYISO will re-evaluate whether the remaining State Exempt Large Load Projects violate the resource adequacy criterion contained in the NYSRC Reliability Rules for years 1 through 5 of the study. If the collective impact of the remaining State Exempt Large Load Projects does not violate the resource adequacy criterion contained in the NYSRC Reliability Rules, then those projects will be eligible for Firm Withdrawal Service in their full requested MW amounts. If, however: (i) NYDPS revokes any of the State Exempt Large Load Project Verifications for the Large Load Projects in the Group or (ii) the collective impact of the remaining State Exempt Large Load Projects violates the resource adequacy criterion contained in the NYSRC Reliability Rules, then those projects will

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[198] *Id.* § 44.8.1.5; *see* Altman Affidavit at P 32.

[199] Proposed OATT Attach. LL § 44.8.1.5.1. The Resource Adequacy Impact Standard uses the acceptable reliability level in the NYCA as set forth in the NYSRC's Resource Adequacy Reliability Rules, which is based on the evaluation "that the loss of load expectation (LOLE) of disconnecting firm load due to resources deficiencies shall be, on average, no more than 0.1 loss of load Event-Days per year." Altman Affidavit at PP 8-9, 35.

[200] *See* Altman Affidavit at PP 8-9, 35, 38.

[201] Proposed OATT Attach. LL § 44.8.1.5.2.

[202] *Id.* § 44.8.1.5.3.

no longer be eligible to be State Exempt Large Load Projects and must be evaluated in the manner described in Part II.G.ii.a above."

c) The State Exempt Large Load Projects Proposal Is Consistent with Cooperative Federalism

The NYPSC stated in the Show Cause Order proceeding that the FPA gives it the primary role in ensuring the adequacy of generation resources in New York, and that it intends to exercise its authority with respect to large load resource adequacy.[203] Meanwhile, the Commission has jurisdiction over resource adequacy issues to the extent that they affect wholesale electricity market, interstate transmission, or bulk power system reliability matters.[204] The Commission's interest in these types of resource adequacy issues is reflected in the Show Cause Order, including its informational report directive and its suggestion that the NYISO take other steps to address resource adequacy challenges.[205] And the NYISO itself has resource adequacy responsibilities under applicable NERC, NPCC, and NYSRC requirements and its Commission-jurisdictional tariffs.

Thus, resource adequacy implicates both federal and state jurisdiction. Consistent with the Show Cause Order,[206] the NYISO has designed the State Exempt Large Load Projects proposal to respect cooperative federalism. As the Altman Affidavit explains,[207] the NYISO needs to consider the resource adequacy implications of Firm Withdrawal Service awards in order to fulfill its reliability obligations. The NYISO is not seeking to displace New York State's resource adequacy authority or "targeting" state-jurisdictional activity.[208] The NYISO is simply accounting for resource adequacy implications when deciding whether to make Commission-jurisdictional transmission service available to Commission-jurisdictional Transmission Customers. At the same time, the NYISO's proposal would preserve state authority by enabling the NYDPS to determine that certain Large Loads should be allowed to receive firm service even if they would otherwise individually exceed the NYISO's Resource Adequacy Impact Standard. Making this treatment unavailable to the extent that State Exempt Large Load Projects would collectively cause a resource adequacy violation is not an impermissible intrusion into state jurisdiction. It is a reasonable safeguard to ensure that federal reliability requirements are maintained.

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[203] *See* Notice of Intervention and Preliminary Comment of the New York State Public Service Commission, Docket No. EL26-69-000 (July 9, 2026) ("NYPSC Preliminary Comments") at 3-5.

[204] *See, e.g., Conn. Dept. of Pub. Util. Control v. FERC*, 569 F.3d 477, 485 (D.C. Cir. 2009) (distinguishing between "direct regulation of generation facilities" — which is beyond the Commission's reach — and determination of the installed capacity requirement, which directly "affects rates within the Commission's jurisdiction.")

[205] *See* Show Cause Order at P 128.

[206] *See id.* at P 76 ("Indeed, the Commission's objective in this proceeding is to respect the cooperative federalism approach established under the FPA"); NYPSC Preliminary Comments at 4-5 (acknowledging this statement and the Commission's commitment to cooperative federalism.)

[207] Altman Affidavit at PP 8-10, 37-38.

[208] In *FERC v. Elec. Power Supply Ass'n*, 577 U.S. 260, 264 (2016) ("EPSA") and *ONEOK, Inc. v. Learjet, Inc.*, 575 U.S. 373, 385 (2015), the Supreme Court was clear that whether a particular rule "targeted" federal or state matters was a key factor in determining whether the rule was within the Commission's jurisdiction.

The NYISO's balanced approach is permissible under the FPA. The Supreme Court has clearly established that "the wholesale and retail markets in electricity…are not hermetically sealed from each other."[209] There is room for reasonable compromise[210] in areas where federal and state jurisdiction overlap. In this case, the proposed Resource Adequacy Impact Standard is critical to the NYISO's ability to serve Large Loads. The State Exempt Large Load Project proposal, therefore, represents a program of cooperative federalism and recognizes New York State's role regarding resource adequacy without encroaching upon federal jurisdiction over wholesale electricity rates and transmission service.

iii. Transmission Security Standard

The NYISO proposes to establish a Transmission Security Standard to evaluate the impact of each Large Load Project on the transmission security of the New York Control Area as described below and in the Nguyen Affidavit.[211] The NYISO proposes that the Transmission Security Standard be applied to assess the reliability impacts of the proposed interconnection of the proposed Large Load Project and determine the amount of Firm Withdrawal Service and Non-Firm Withdrawal Service that the Large Load Project is eligible for and, if requested, whether the Large Load Project, or any portion, is eligible to be classified as a Zero Withdrawal Service Load based on transmission security impacts.[212] The amounts of Firm Withdrawal Service and Non-Firm Withdrawal Service determined using the Transmission Security Standard will be subject to modification based on: (i) the determinations using the Resource Adequacy Impact Standard and (ii) available actions to mitigate any adverse reliability impacts, as described above.[213]

The NYISO proposes that this assessment be used in the System Impact Study.[214] In addition, the NYISO proposes that this assessment then be performed: (i) anew in the Assessment of Load Integration and (ii) at any point thereafter as part of a review of a Large Load Project's requested modification if the Large Load Project modifies its load or includes or modifies a Co-Located Resource(s).[215] For purposes of this assessment, the NYISO proposes that the year 5 cases of the most recent quarterly Short-Term Assessment of Reliability ("STAR") base case in the Short-Term Reliability Process be used to evaluate the impact of each Large Load Project on the transmission security of the New York Control Area.[216] The Large Load will be tested together with any Associated Resource, as applicable, and the operating

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[209] *EPSA*, 577 U.S. at 281.

[210] The NYDPS staff reviewed the NYISO's proposal and stated that it did not object to it prior to the October 28, 2026, vote of the NYISO's stakeholder Management Committee to approve this filing. The NYISO acknowledges that NYDPS staff reserved its right to raise issues in this proceeding. *See* Adam Evans (DPS) Statement at October 28 NYISO Management Committee; *available at:* https://www.nyiso.com/documents/20142/59483202/Adam%20Evans%20DPS%20Statement.pdf.

[211] Proposed OATT Attach. LL §§ 44.1 (definition of Transmission Security Standard), 44.8.2.1; Nguyen Affidavit at PP 33-36.

[212] Proposed OATT Attach. LL § 44.8.2.4.

[213] Proposed OATT Attach. LL § 44.8.2.5.

[214] *Id.* § 44.8.2.2.

[215] *Id.* § 44.8.2.2.

[216] *Id.* § 44.8.2.3.

characteristics of the Large Load Project and any Associated Resources will be considered as part of the evaluation.[217]

The NYISO proposes to perform short-circuit/fault duty, steady state (thermal and voltage) and stability analyses to evaluate the transmission security impacts for the Group of Large Load Projects on the Bulk Electric System and to identify any violations in Applicable Reliability Requirements.[218] The NYISO will also determine if the Group of Large Load Projects degrades interface transfer capability by greater than 25 MW.[219] If the NYISO identifies a violation or a degradation of greater than 25 MW, the impacted Transmission Owner will be responsible for identifying a Network Upgrade to mitigate that violation or degradation.[220] In addition, consistent with the Show Cause Order, the NYISO proposes to perform, as applicable, electromagnetic transient screening of the proposed Large Load Project.[221]

The NYISO proposes that the applicable Transmission Owner perform the steady state (thermal and voltage) and short-circuit/fault duty analyses of the non-Bulk Electric System and its distribution system and identify any violations.[222] The applicable Transmission Owner may perform bus flow analysis of the Bulk Electric System and non-Bulk Electric System.[223] If a Transmission Owner identifies a violation, the impacted Transmission Owner will be responsible for identifying a Network Upgrade to mitigate the violation.[224]

The NYISO or Transmission Owner, as applicable, will calculate each Large Load Project's impact on the observed transmission security violation as set forth in the NYISO's procedures or the Transmission Owner's procedures.[225] For each identified violation, the NYISO or the Transmission Owner, as applicable, will identify if the violation can be resolved by the Large Load Project receiving Non-Firm Withdrawal Service for some or all of the project's size as described in the NYISO's procedures.[226] If a violation cannot be resolved by receiving Non-Firm Withdrawal Service or the Large Load Project is seeking to be eligible to be classified as a Zero Withdrawal Service Load, the violation must be addressed by one or more Network Upgrades. Violations that cannot be resolved through receiving Non-Firm Withdrawal Service include any potential adverse reliability impact that degrades system reliability or results in noncompliance with the NERC, NPCC, or NYSRC reliability standards and that cannot be managed through the normal operating procedures of the NYISO and/or Transmission Owner.[227]

H. Initial Study Phase

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[217] *Id.* § 44.8.2.3.
[218] *Id.* § 44.8.2.4.1.
[219] Proposed OATT Attach. LL § 44.8.2.4.1.
[220] *Id.* § 44.8.2.4.1.
[221] Show Cause Order at P 66; proposed OATT Attach. LL § 44.8.2.4.2.
[222] Proposed OATT Attach. LL § 44.8.2.4.3.
[223] *Id.* § 44.8.2.4.3.
[224] *Id.* § 44.8.2.4.3.
[225] *Id.* § 44.8.2.4.4.
[226] *Id.* § 44.8.2.4.5.
[227] *Id.* § 44.8.2.4.5.

i. Overview of New Study Process

In the Show Cause Order, the Commission indicated that the NYISO's tariff appears to lack sufficiently clear and consistent provisions establishing a study process for evaluating the provision of transmission service to Eligible Customers on behalf of large loads that considers the unique characteristics and impacts of large loads on the transmission system, including identifying the Direct Assignment Facilities and Network Upgrades necessary to provide such service reliably and providing a non-binding good-faith estimate of the cost and the time to construct such facilities.[228] The Commission further indicated that the NYISO's tariff may not clearly and consistently require the NYISO or the Transmission Owners to conduct studies that evaluate the transmission system's ability to withstand risks observed from analyzed large load behavior created by the large load at the point of interconnection, or any other necessary supplemental studies to evaluate the impact of providing transmission service to Eligible Customers on behalf of large loads.[229]

The NYISO's existing load interconnection procedures in Sections 3.9 and 4.5 of the OATT provide for it, in cooperation with the applicable Transmission Owner, to perform technical studies to determine whether the proposed interconnection may degrade system reliability or adversely affect the operation of the NYS Power System.[230] The NYISO proposes to establish in place of these requirements a new Large Load Integration Study Process in Attachment LL of the OATT. This process will include detailed, clear and consistent requirements for the evaluation of the impacts of the proposed interconnection of Large Load Projects in a manner that accounts for the unique operational characteristic of Large Loads, including identifying any Attachment Facilities or Network Upgrades required for the reliable interconnection of the Large Load and determining the type and amount of Withdrawal Service for the Large Load Project.

In particular, the NYISO proposes an Initial Study Phase as described in this Part II.H in which the NYISO and Transmission Owners will perform certain initial analyses of the proposed interconnection and a System Impact Study. These collectively will provide a Large Load Project with a preliminary assessment of the feasibility of its proposed interconnection and potential Attachment Facilities and Network Upgrades, including preliminary estimates of the costs and time to construct such facilities. If an Eligible Customer elects to proceed with its Large Load Project, the NYISO will then perform an Assessment of Load Integration as described in Part II.I.i in parallel with the Transmission Owner's performance of a Facilities Study as described in Part II.I.ii to identify both the required Attachment Facilities and Network Upgrades and to establish the final determination of Withdrawal Service that the project is eligible to obtain.

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[228] Show Cause Order at PP 66, 69.

[229] *Id.* at P 66. The Show Cause Order recognized the Transmission Owners may be partially responsible for conducting the studies that evaluate whether a large load may be interconnected to the transmission system and served by the Eligible Customer and that determine whether Network Upgrades are necessary to provide transmission service. *Id.* at 58.

[230] OATT §§ 3.9.1, 3.9.2; NYISO Manual 23, Transmission Expansion and Interconnection Manual § 3.5 (Issued: February 2025).

The NYISO proposes to perform the Large Load Integration Study Process on a clustered basis for a Group of Large Load Projects that have satisfied the application requirements described in Part II.F to enter the next available Group, rather than performing such study through serial, individual studies.[231] As with the NYISO's Cluster Study Process in its Standard Interconnection Procedures, which evaluates a cluster of Cluster Study Projects, it is just and reasonable for the NYISO to perform the Large Load Integration Study Process on a clustered basis. As the Commission found in Order No. 2023 in adopting a cluster study process for generator interconnection requests, a group study increases efficiencies as the transmission provider can perform larger interconnection studies encompassing many proposed facilities, rather than individual studies for each customer.[232] As described in the Nguyen Affidavit, a grouped study permits the NYISO and the Transmission Owners to evaluate the collective reliability effects of Large Load additions and to identify coordinated upgrades, rather than conducting overlapping serial studies that could produce duplicative or inconsistent solutions.[233] Although the addition of multiple projects and larger aggregate MW quantities increases the technical complexity of the study, the grouped approach provides a more comprehensive basis for assigning responsibility for shared impacts and allocating the costs of common Network Upgrades.

The NYISO proposes that the study work in the Large Load Integration Study Process will be allocated between the NYISO and the Transmission Owners as detailed in this filing letter and as described in the Nguyen Affidavit.[234] This approach reasonably allocates the study work to the entity with the relevant system knowledge, planning responsibility, and access to the underlying criteria and data. The parallel division of work will also allow the NYISO and the Transmission Owners, working in parallel, to meet the proposed study timeframes and minimize inefficient and duplicative analyses. The NYISO will perform the evaluation of the impacts of the proposed interconnections of Large Load Projects on the Bulk Electric System portion of the New York State Transmission System and identify any violations and adverse impacts on the Bulk Electric System caused by the project. In particular, the NYISO will evaluate impacts on the Bulk Electric System to provide a consistent statewide assessment of bulk-system reliability and interregional effects. If more than one project contributes to the violation, then the NYISO will provide the Transmission Owners with the projects' respective contributions to the identified violations to facilitate the allocation of upgrade costs.

The applicable Transmission Owners will perform parallel evaluations for the impacts of the Large Load Projects to the non-Bulk Electric System. Transmission Owners will evaluate impacts on their non-Bulk Electric System and distribution facilities because they maintain the detailed models, equipment information, local planning criteria, operating procedures, and design standards needed to identify localized impacts and develop practicable upgrades. Each Transmission Owner will be responsible for identifying: (i) violations on the non-Bulk Electric

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[231] *See* proposed OATT Attach. LL § 44.1 (definition of Group). The NYISO also proposes to provide that the Transmission Owner may perform a Facility Study on a grouped basis. *Id.* § 44.12.1.3.

[232] Improvements to Generator Interconnection Procs. & Agreements, Order No. 2023, 184 FERC ¶ 61,054 at P 177 ("Order No. 2023"), *order on reh'g,* 185 FERC ¶ 61,063 (2023), *order on reh'g*, 186 FERC ¶ 61,199, *errata notice,* 188 FERC ¶ 61,134 (2024).

[233] Nguyen Affidavit at P 7.

[234] *Id.* at PP 8-10.

System, including local transmission and distribution systems, (ii) the Network Upgrades to address violations on both the Bulk Electric System and non-Bulk Electric System (subject to consultation with the NYISO), (iii) cost estimates and time to construct the Network Upgrades, (iv) the allocation of costs among the Large Load Projects participating in the study process, based on the NYISO's and Transmission Owner's determinations of each project's respective contribution to the identified violations, (v) Attachment Facilities, and (vi) estimates of the costs and time to construct the Attachment Facilities.

ii. Initial Study Phase Overview

The NYISO proposes to commence the Large Load Integration Study Process with an Initial Study Phase.[235] This phase will consist of (i) the Resource Adequacy and Modeling Period as described in Part II.H.iii and (ii) the System Impact Study as described in Part II.H.vii.[236] The NYISO proposes to perform up to two successive, independent rounds of the Initial Study Phase for each Large Load Integration Study Process cycle, which rounds will be referred to as Initial Study Round 1 and Initial Study Round 2.[237] Performing two rounds will increase the number of Large Load Projects that may proceed to be evaluated in the Assessment of Load Integration for a given study cycle once that assessment is completed for the prior cycle. For Initial Study Round 1, the Resource Adequacy and Modeling Period and the System Impact Study will be performed for the Large Load Projects in Group 1, and for Initial Study Round 2, the Resource Adequacy and Modeling Period and the System Impact Study will be performed for the Large Load Projects in Group 2.[238] The NYISO proposes to commence the Initial Study Phase and the Initial Study Round 1 on the Large Load Integration Study Process Start Date, which is described in Part II.E.i.[239] Following the completion of the draft System Impact Study Report for Group 1 in the Initial Study Round 1, the NYISO will commence the Initial Study Round 2.[240]

Notwithstanding the above, for the Transition Large Load Integration Study Process, the NYISO proposes that the Initial Study Phase be performed in a single round for the Group of entities in Transition Group B that satisfied the requirements to enter the transition study. The Initial Study Phase for the transition process will only include certain elements of the Resource Adequacy and Modeling Period as the participants in the transition process were already evaluated in a system impact study and will not be subject to a new System Impact Study under the Attachment LL rules. The Resource Adequacy and Modeling Period for the Transition Large Load Integration Study Process will commence on the Transition Large Load Integration Study Process Start Date, which is described in Part II.E.i above.[241]

iii. Resource Adequacy and Modeling Period

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[235] *See* proposed OATT Attach. LL § 44.1 (definition of Initial Study Phase).
[236] Proposed OATT Attach. LL § 44.9.1.1.
[237] *Id.* §§ 44.1 (definitions of Initial Study Round 1 and Initial Study Round 2), 44.9.1.1.
[238] *Id.* §§ 44.1 (definitions of Group 1 and Group 2), 44.9.1.2. 44.9.1.3.
[239] *Id.* §§ 44.9.1.2, 44.9.2.1.
[240] *Id.* §§ 44.9.1.3, 44.9.2.1.
[241] *Id.* § 44.9.2.1.

The NYISO proposes that the Resource Adequacy and Modeling Period consist of the following three components: (i) the RAMP Part 1 Process as described in Part II.H.iv, (ii) the SIS Entry Decision Period as described in Part II.H.v, and (iii) the RAMP Part 2 Process as described in Part II.H.vi.[242] The NYISO proposes that the scheduled duration of the Resource Adequacy and Modeling Period for each round in the Large Load Integration Study Process be a 90 Calendar Day period between the start date and the NYISO's presentation of the scope of the System Impact Study to stakeholders.[243] For the Transition Large Load Integration Study Process for which there is no System Impact Study related work, the NYISO proposes a shorter period of 60 Calendar Day between the start date and the ALI Entry Decision Period.[244]

iv. RAMP Part 1 Process

The NYISO proposes that the RAMP Part 1 Process include the following elements to develop information for the System Impact Study and provide the Eligible Customer with initial information concerning its proposed interconnection.[245] In particular, the NYISO will develop the base case for the System Impact Study and will perform a Resource Adequacy Evaluation for each Large Load Project. In addition, the Connecting Transmission Owner will determine preliminary Attachment Facilities for each Large Load Project, and the Connecting Transmission Owner and any Affected Transmission Owners will perform a Physical Infeasibility Screening.[246] The NYISO proposes that the RAMP Part 1 Process have a scheduled duration of 60 Calendar Days.[247]

a) <u>Transmission Owner Responsibilities in the RAMP Part 1 Process</u>

The NYISO proposes to establish a Physical Infeasibility Screening in the Large Load Integration Study Process by which the Connecting Transmission Owner and any Affected Transmission Owner will review the proposed interconnection of each Large Load Project to assess whether the proposed Point of Interconnection is Physically Infeasible.[248] This process step is consistent with the Physical Infeasibility Screening requirements for the Cluster Study Process in the NYISO's Standard Interconnection Procedures. It serves to catch early in the study process, when possible, those projects that will not be able to interconnect due to physical infeasibility, so that such projects can withdraw without incurring or causing significant costs, time, and resources. The NYISO and Transmission Owners have successfully applied this process in the NYISO's Cluster Study Process to facilitate either the modification of Points of Interconnection, where permitted, or the withdrawal of projects that would not otherwise have been able to interconnect at their requested Point of Interconnection.[249]

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[242] Proposed OATT Attach. LL § 44.1 (definition of Resource Adequacy and Modeling Period).
[243] *Id.* § 44.9.2.2.
[244] *Id.* § 44.9.2.3.
[245] *Id.* § 44.1 (definition of RAMP Part 1 Process).
[246] *Id.* § 44.9.3.
[247] *Id.* § 44.9.2.
[248] Proposed OATT Attach. LL § 44.9.3.4.
[249] As described above, the NYISO is proposing to include a Pre-Application Report process to assist Eligible Customers in obtaining information about potential Points of Interconnection prior to submitting Large Load Integration Requests.

The NYISO proposes to define Physically Infeasible in Attachment LL consistent with its definition in the Standard Interconnection Procedures in Attachment HH.[250] In particular, a Large Load Integration Request will be Physically Infeasible if:

> (1) the substation for the selected Point of Interconnection (i) does not have any available bus positions and (ii) (a) is not expandable electrically or within the existing substation footprint, and (b) the Transmission Owner has determined that adjacent usable vacant land is not available, or
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> (2) proposals by Eligible Customer are inconsistent with Good Utility Practice or Applicable Reliability Requirements; or
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> (3) a viable tie line cable route(s) cannot be established from either the Point of Change of Ownership to the Point of Interconnection or, where these points are the same, a viable route cannot be established within or from the fence line; or
>
> (4) the project capacity exceeds the ratings of equipment at the substation selected for the Point of Interconnection, replacement equipment that would be adequately rated for the project capacity is not commercially available from an approved supplier and within applicable specifications set by the Transmission Owner, and an alternative upgrade is not physically feasible (*e.g.*, higher voltage Point of Interconnection substation);[251] or
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> (5) an Attachment Facility or Local Network Upgrade required for the Large Load Project to reliably interconnect is Physically Infeasible.[252]

Within 45 Calendar Days of the commencement of the RAMP Part 1 Process, the Connecting Transmission Owner or Affected Transmission Owner will provide the NYISO with its written assessment of the results of the Physical Infeasibility Screening.[253] If, as a result of the Physical Infeasibility Screening or at any time in the Large Load Integration Study Process, the NYISO determines, in consultation with the Connecting Transmission Owner or Affected Transmission Owner, that the proposed interconnection of a Large Load Project is Physically Infeasible, then the NYISO will notify the Eligible Customer that the proposed interconnection of its Large Load Project is Physically Infeasible and will withdraw the Large Load Integration Request for the Large Load Project.[254] However, in such circumstances, the Eligible Customer may modify its

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[250] OATT Attach. HH § 40.7.3.2.

[251] Proposed OATT Attach. LL § 44.9.3.4.2. For purposes of this definition, "commercially available" equipment shall mean equipment manufactured by an approved supplier of a particular Connecting Transmission Owner and/or Affected Transmission Owner(s) and conforming with engineering specifications and procedures of the Connecting Transmission Owner and/or Affected Transmission Owner(s). *Id.*

[252] Proposed OATT Attach. LL § 44.9.3.4.2.

[253] *Id.* §§ 44.9.3, 44.9.3.4.1. The Physical Infeasibility requirements: (i) do not establish on behalf of the Large Load Project any rights or title to a Transmission Owner's real property and (ii) do not create an obligation on a Transmission Owner to transfer, convey or use its real property rights on behalf of the Large Load Project or to acquire on behalf of the Large Load Project through eminent domain or otherwise any real property. *Id.* § 44.9.3.4.2.

[254] Proposed OATT Attach. LL §§ 44.9.3.4.3, 44.10.4.2. If: (i) more than one Large Load Integration Request in a Group proposes to interconnect at the same Point of Interconnection on the New York State

Large Load Integration Request in the SIS Entry Decision Period or ALI Entry Decision Period to indicate a new Point of Interconnection if such modification is agreed upon by the Connecting Transmission Owner and does not modify the electrical characteristics of the Large Load Project.[255]

Within the same 45 Calendar Day period, the Connecting Transmission Owner will also be responsible for developing a one-line diagram with a preliminarily determination of Attachment Facilities for each Large Load Project in the Group, unless the Large Load Project is determined to be Physically Infeasible.[256]

b) NYISO Responsibilities in RAMP Part 1 Process

The NYISO proposes as part of the RAMP Part 1 Process to establish the Pre-Project Base Case for purposes of the short-circuit/fault duty, steady state (thermal and voltage) and stability analyses for the System Impact Study.[257] For this base case, the NYISO will use the most recent quarterly Short-Term Assessment of Reliability in its Short-Term Reliability Process established in Attachment FF of the NYISO OATT.[258] As it is updated quarterly, the STAR base case represents an up-to-date set of planning cases for assessing reliability impacts. The NYISO will then update the base case in the RAMP Part 2 Process to account for those Large Load Projects that elect in the SIS Entry Decision Period to enter the System Impact Study as described in Part II.H.vi.

The NYISO will also conduct a Resource Adequacy Evaluation of each Large Load Project to evaluate the adverse impact of the interconnection of the Large Load Project and any Associated Resource identified in the Large Load Integration Request for the project on the resource adequacy of the New York Control Area.[259] For this evaluation, the NYISO will apply the Resource Adequacy Impact Standard as described in Part II.G.ii to determine the preliminary amount of Firm Withdrawal Service and Non-Firm Withdrawal Service for the Large Load Project.

Within 15 Calendar Days from the NYISO's receipt of the results of the Physical Infeasibility Screening from all of the identified Connecting Transmission Owners and Affected Transmission Owners, the NYISO will issue a summary report with the results of the Resource

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Transmission System and (ii) all of the Large Load Integration Requests proposing to interconnect at that location are not able in the aggregate to interconnect due to a Physical Infeasibility, then a Large Load Integration Request with a Load Queue Position with a higher designated priority shall have priority over a Large Load Integration Request with a Load Queue Position with a lower designated priority (including as between Large Load Integration Requests within the same Group) for access to that Point of Interconnection for purposes of Physical Infeasibility determinations. *Id.* § 44.9.3.4.4.

[255] Proposed OATT Attach. LL §§ 44.9.3.4.3, 44.9.4.4.

[256] *Id.* §§ 44.9.3, 44.9.3.3.

[257] *Id.* §§ 44.1 (definition of Pre-Project Base Case), 44.9.3.1. The NYISO will also commence the development of the Post-Project Base Case for purpose of short-circuit/fault duty, steady state (thermal and voltage) and stability analyses for the System Impact Study, which will be updated in the RAMP Part 2 Process. *Id.*

[258] Proposed OATT Attach. LL § 44.9.3.1.

[259] *Id.* § 44.9.3.2.

Adequacy Evaluation of each Large Load Project and the results of the Physical Infeasibility Screening.[260]

v. SIS Entry Decision Period

The NYISO proposes to establish an SIS Entry Decision Period in which an Eligible Customer may assess the information determined in the RAMP Part 1 Process and elect whether its Large Load Project will proceed to be evaluated in a System Impact Study or be withdrawn from the Load Queue.[261] The SIS Entry Decision Period will be a seven Calendar Day period, which period will commence 61 Calendar Days after the commencement of the RAMP Part 1 Process.[262]

For a Large Load Project to be included in the System Impact Study, the Eligible Customer must notify the NYISO of its election for the project to proceed to the study during the SIS Entry Decision Period.[263] If the Eligible Customer does not make such election, then the NYISO will withdraw the project from the Load Queue without an opportunity to cure.[264]

During the SIS Entry Decision Period, the Eligible Customer may propose two types of modifications to its proposed Large Load Project to account for input obtained in the RAMP Part 1 Process. First, the Eligible Customer may reduce the size (i.e., MW) of its Large Load Project from the size included in the Large Load Integration Request provided that the project with the reduced size continues to satisfy the definition of a Large Load Project.[265] Second, the Eligible Customer may modify the Point of Interconnection included in its Large Load Integration Request to address Physical Infeasibility if such modification is agreed upon by the Connecting Transmission Owner and does not modify the electrical characteristics of the Large Load Project.[266]

vi. RAMP Part 2 Process

The NYISO proposes to establish a RAMP Part 2 Process prior to the System Impact Study to update materials based on the results of the SIS Entry Decision Period and to meet with the projects that elected to proceed to the System Impact Study.[267] The scheduled duration of the Ramp Part 2 Process will be 23 Calendar Days.[268]

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[260] *Id.* § 44.9.3.
[261] *Id.* § 44.1 (definition of SIS Entry Decision Period).
[262] *Id.* § 44.9.4.1.
[263] *Id.* § 44.9.4.2.
[264] Proposed OATT Attach. LL § 44.9.4.5.
[265] *Id.* § 44.9.4.3.
[266] *Id.* § 44.9.4.4. To implement the modification, the Eligible Customer must submit the change to the Point of Interconnection using the Load Modification Form. A change in the Point of Interconnection will result in a change to the priority designation of the Load Queue Position assigned to the Large Load Integration Request based on the date and time of the NYISO's receipt of the Eligible Customer's submission of the completed Load Modification Request form. *Id.* This is consistent with the NYISO's treatment of changes to Points of Interconnection in its Standard Interconnection Procedures. *See* OATT Attach. HH § 40.7.2.3.
[267] Proposed OATT Attach. LL § 44.1 (definition of RAMP Part 2 Process).
[268] *Id.* § 44.9.2.2.

First, the NYISO proposes to update the Post-Project Base Case for the power flow, stability, short-circuit, and transfer studies for the System Impact Study by adding the Large Load Projects that satisfied the requirements to proceed to the System Impact Study.[269] The NYISO may also update the assumptions in the base cases used in the System Impact Study in accordance with its procedures. The NYISO will also develop the scope of the System Impact Study, provide the scope to the impacted Connecting Transmission Owner(s) and any identified Affected Transmission Owner(s) and Affected System Operator(s) for their review, and then finalize the study scope.[270] The NYISO will submit the draft scope of the System Impact Study to its stakeholder Transmission Planning Advisory Subcommittee ("TPAS") for review and comment.[271]

Second, the NYISO proposes to hold a group Scoping Meeting for all Eligible Customers included in the Group which Large Load Projects satisfied the requirements to proceed to the System Impact Study, along with the Connecting Transmission Owners and any Affected Transmission Owner(s).[272] The purpose of the Scoping Meeting will be to reinforce the roles and responsibilities of all parties in the System Impact Study and to discuss the study scope for the System Impact Study, the schedule, and the work plan.[273] The NYISO, Connecting Transmission Owner, Affected Transmission Owner(s), and Eligible Customer will bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting.[274] The duration of the meeting will be sufficient to accomplish its purpose.[275]

vii. System Impact Study

The NYISO proposes to perform, in coordination with Connecting Transmission Owner(s) and Affected Transmission Owner(s), a System Impact Study for the Group of Large Load Projects for that Large Load Integration Study Process that satisfied the requirements in the SIS Entry Decision Period to participate in the study.[276] As described below, the study will evaluate any potential transmission security issues for the proposed interconnection of a Large

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[269] *Id.* §§ 44.1 (definition of Post Project Base Case), 44.9.5.1.

[270] *Id.* § 44.9.5.1.

[271] *Id.* § 44.9.5.3.

[272] *Id.* §§ 44.1 (definition of Scoping Meeting), 44.9.5.2. The Scoping Meeting will take place no later than 15 Business Days following the close of the SIS Entry Decision Period. In setting the date, the NYISO will consult with the Connecting Transmission Owners and Affected Transmission Owners on the review of the draft scope, with the Scoping Meeting to take place no later than 15 Business Days. The NYISO will provide notice of the Scoping Meeting to the contact list of the Large Load Projects that satisfied the requirements in the SIS Entry Decision Period to proceed to the System Impact Study and to the applicable Connecting Transmission Owners, Affected Transmission Owners, and Affected System Operators. *Id.* Before holding a Scoping Meeting with an Affiliate of a Connecting Transmission Owner and that Connecting Transmission Owner, the NYISO will post on its OASIS an advance notice of its intent to do so. *Id.*

[273] Proposed OATT Attach. LL § 44.9.5.2.

[274] *Id.* § 44.9.5.2. If the Scoping Meeting consists of more than one Eligible Customer, the Eligible Customer must provide an executed non-disclosure agreement to the NYISO that provides for confidentiality of commercially sensitive information identified in the Scoping Meeting pertaining to any other Eligible Customers prior to the start of the Scoping Meeting to participate. *Id.*

[275] Proposed OATT Attach. LL § 44.9.5.2.

[276] *Id.* § 41.1 (definition of System Impact Study).

Load Project, will preliminarily identify and cost estimate any required Network Upgrades, and will preliminarily determine the Withdrawal Service for which the project is eligible. There will not, however, be a System Impact Study for the Transition Large Load Integration Study Process, as the NYISO already performed a system impact study for the projects participating in the transition process pursuant to its existing load interconnection rules in Section 3.9 of the OATT.[277] The System Impact Study will be performed over a 90-Calendar Day period between the start of the study and the NYISO and Transmission Owners' provision of the draft System Impact Study report to Eligible Customers for their review.[278]

a) Performance of System Impact Study

The NYISO proposes that the System Impact Study be performed on a combined basis for the Group of Large Load Projects that satisfied the requirements to proceed to the study.[279] The performance of the System Impact Study will be divided between the NYISO and the applicable Transmission Owner(s), with the NYISO performing analyses for the Bulk Electric System, and the applicable Transmission Owner performing analyses on the non-Bulk Electric System.

In particular, the NYISO will perform short-circuit/fault duty, steady state (thermal and voltage) and stability analyses for the Bulk Electric System pursuant to the scope of the System Impact Study and the Transmission Security Standard.[280] The NYISO will provide the study results to the applicable Transmission Owner(s) within 45 Calendar Days from the commencement of the System Impact Study.[281] The applicable Transmission Owner(s) will perform these analyses for the non-Bulk Electric System and may perform bus flow analysis on the Bulk Electric System and non-Bulk Electric System.[282] The applicable Transmission Owner(s) will provide the results of its analyses to the NYISO within 30 Calendar Days from the NYISO's provision of the Bulk Electric System results.[283]

Within the same 30-Calendar Day period the impacted Connecting Transmission Owner(s) and Affected Transmission Owner(s) will preliminarily identify Network Upgrades required to mitigate any transmission security impacts resulting from the proposed interconnection of the Large Load Project(s).[284] The applicable Transmission Owner will provide preliminary, non-binding estimates of the costs and the time to construct the Network Upgrades.[285] In addition, the applicable Transmission Owner will provide any updates to the

[277] *Id.* § 44.10.1.1.3.

[278] *Id.* § 44.10.1.1.1. The NYISO will notify stakeholders within 5 Business Days of the start date of the study the scope of the study and the list of Large Load Projects participating in the study. *Id.* § 44.10.1.1.2.

[279] Proposed OATT Attach. LL § 44.10.2.1.

[280] *Id.* § 44.10.2.2.

[281] *Id.* § 44.10.2.2.

[282] *Id.* § 44.10.2.2. Certain Transmission Owners may perform bus flow and certain other analyses for both the Bulk Electric System and the non-Bulk Electric System for purposes of evaluating the capabilities of the Attachment Facilities.

[283] Proposed OATT Attach. LL § 44.10.2.2.

[284] *Id.* §§ 44.10.2.3, 44.10.2.5.

[285] *Id.* § 44.10.2.3.

Attachment Facilities preliminarily identified in the RAMP Part 1 Process and a preliminary, non-binding estimate of the costs and time to construct the Attachment Facilities.[286]

Finally, the NYISO will determine preliminary amounts of Firm Withdrawal Service and Non-Firm Withdrawal Service for each Large Load Project and, if requested, whether any portion of a Large Load Project is eligible to be classified as a Zero Withdrawal Service Load.[287]

b) Review of System Impact Study Report

The NYISO proposes that it will provide, in coordination with the Connecting Transmission Owner(s) and Affected Transmission Owner(s), the draft System Impact Study Report to the Eligible Customer(s) which Large Load Project(s) are in the Group studied in the System Impact Study within 90 Calendar Days of the commencement of the study.[288] The NYISO and applicable Transmission Owner(s) may then meet with the Eligible Customer(s) to discuss the study results.[289] The Eligible Customers may provide comments for the NYISO's and Transmission Owners' consideration on the draft report.[290] The NYISO will then submit the final System Impact Study Report to the TPAS for review and comment and to the stakeholder Operating Committee ("OC") for its approval.[291] Following this approval, the NYISO will post the final System Impact Study Report on its password-protected website.[292]

viii. ALI Entry Decision Period

The NYISO proposes to establish an ALI Entry Decision Period in which an Eligible Customer may assess the information determined in the Initial Study Process and elect whether its Large Load Project will proceed to be evaluated in the Assessment of Load Integration and Facilities Study or be withdrawn from the Load Queue.[293] The ALI Entry Decision Period will apply to all Large Load Projects that were included in either Group 1 or Group 2 in the Initial Study Phase of that Large Load Integration Study Process cycle (or in the Group for the Transition Large Load Integration Study Process) and were not determined to be Physically Infeasible.[294]

The ALI Entry Decision Period will commence for the Transition Large Load Integration Study Process following the conclusion of the Resource Adequacy and Modeling Period.[295] For subsequent Large Load Integration Study Processes, the ALI Entry Decision Period will commence following the Operating Committee's approval of the System Impact Study Report

[286] *Id.* § 44.10.2.4.
[287] *Id.* § 44.10.2.2.
[288] *Id.* §§ 44.1 (definition of System Impact Study Report), 44.10.3.1.
[289] Proposed OATT Attach. LL § 44.10.3.1.
[290] *Id.* § 44.10.3.1.
[291] *Id.* § 44.10.3.2.
[292] *Id.* § 44.10.3.2.
[293] *Id.* § 44.1 (definition of ALI Entry Decision Period),
[294] *Id.* § 44.10.4.1.
[295] Proposed OATT Attach. LL § 44.10.4.1.

for Group 2 at the conclusion of the Initial Study Round 2 for the Initial Study Phase of that study cycle.[296] The ALI Entry Decision Period will be a seven Calendar Day period.[297]

The NYISO proposes that the Eligible Customer must satisfy the following requirements during the ALI Entry Decision Period for its Large Load Project to be included in the Assessment of Load Integration and Facilities Study.[298] If the Eligible Customer does not satisfy these requirements, then the NYISO will withdraw the project from the Load Queue without an opportunity to cure.[299]

First, the NYISO proposes that the Eligible Customer must notify the NYISO of its election for its Large Load Project to proceed to the Assessment of Load Integration.[300] Second, the NYISO proposes that the Eligible Customer must also satisfy a readiness requirement to proceed. In particular, the Eligible Customer must submit a Readiness Deposit for its Large Load Project, which will evidence its commercial readiness to proceed.[301] The NYISO proposes to calculate the Readiness Deposit as $4,000 per MW based on the Large Load Project's peak MW amount.[302] As described in the Nguyen Affidavit, this is consistent with the per MW amount for the Readiness Deposit 1 required in the NYISO's Standard Interconnection Procedures previously accepted by the Commission.[303]

Third, except for participants in the Transition Large Load Integration Study Process, the Eligible Customer must submit to the NYISO the Study Deposit 2 to account for the additional study work for the Assessment of Load Integration.[304] The Study Deposit 2 will be the incremental difference between the Study Deposit 1 amount that the Eligible Customer previously submitted for the Large Load Project and the following amount based on the size of the Large Load Project: (i) $200,000 for a Large Load Project less than 200 MW, (ii) $250,000 for a Large Load Project that is both less than 500 MW and greater than or equal to 200 MW, and (iii) $300,000 for a Large Load Project that is 500 MW or greater.[305] The Study Deposit 1 amount for the Large Load Project and the incremental difference submitted by the Eligible Customer for the ALI Entry Decision Period will, in total, constitute the Study Deposit 2 for the

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[296] *Id.* § 44.10.4.1. The ALI Entry Decision Period for Group 1 may commence as soon as practicable but no sooner than the completion of the Facilities Study conducted by the Transmission Owner(s) for the previous cycle (i) if there are no validated Large Load Integration Requests seeking to participate in Group 2 following the deadline to enter Group 2, or (ii) after the withdrawal of the last validated Large Load Integration Request in Group 2 if all validated Large Load Integration Requests in Group 2 have withdrawn prior to completion of the System Impact Study for Group 2. *Id.*

[297] Proposed OATT Attach. LL § 44.10.4.1.

[298] *Id.* § 44.10.4.2. The Eligible Customer's participation in a Facilities Study is also subject to it satisfying the Transmission Owner's requirements for such study. *Id.*

[299] *Id.* § 44.10.4.4.

[300] *Id.* § 44.10.4.2.

[301] *Id.* § 44.10.4.2.

[302] Proposed OATT Attach. LL §§ 44.1 (definition of Readiness Deposit), 44.10.4.2.

[303] Nguyen Affidavit at P 26; *see also* OATT Attach. HH § 40.7.5.3.

[304] Proposed OATT Attach. LL §§ 44.1 (definition of Study Deposit 2), 44.10.4.2. As described above, an Eligible Customer for a Large Load Project in the Transition Large Load Integration Study Process will be required to submit this higher deposit amount with its Large Load Integration Request.

[305] Proposed OATT Attach. LL § 44.10.4.2.

Large Load Project and replace the Study Deposit 1 for the project.[306] The NYISO will hold the Study Deposit 2 amount for the duration of Eligible Customer's participation in the Large Load Integration Study Process, subject to the deposit requirements described in Part III.B.i.c.[307]

Finally, the Eligible Customer may indicate, if it did not do so with its Large Load Integration Request, whether its Large Load Project is eligible to be a State Exempt Large Load Project.[308] In such case, the Eligible Customer must also submit a State Exempt Large Load Project Verification.

During the ALI Entry Decision Period, the Eligible Customer may propose three types of modifications to its proposed Large Load Project to account for input obtained in the Initial Study Phase. First, the Eligible Customer may reduce the size (i.e., MW) of its Large Load Project from the size included in the Large Load Integration Request or from a previous reduction of the project size during the SIS Entry Decision Period.[309] Second, the Eligible Customer may modify the Point of Interconnection included in its Large Load Integration Request for its Large Load Project to address Physical Infeasibility if such modification is agreed upon by the Connecting Transmission Owner and does not modify the electrical characteristics of the Large Load Project.[310] Finally, the Eligible Customer may include or change the Associated Resources, including Partner Resources and Co-Located Resources, that satisfy the tariff requirements for an Associated Resource.[311]

I. Assessment of Load Integration ("ALI") and Facilities Study

i. Assessment of Load Integration

The NYISO proposes to perform an Assessment of Load Integration by which it will update its analyses of the remaining Group of Large Load Projects in the Large Load Integration Study Process that satisfied the requirements to proceed in the ALI Entry Decision Period.[312] The Assessment of Load Integration will consist of two parts – the ALI Part 1 Study and the ALI Part 2 Study as described below.[313] The NYISO will perform the Assessment of Load Integration in parallel and in coordination with the Transmission Owners' performance of Facilities Studies for these projects.[314] As described below, the NYISO will provide the Transmission Owners with updated information from the Assessment of Load Integration of the

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[306] *Id.* § 44.10.4.2.
[307] *Id.* § 44.10.4.2.
[308] *Id.* § 44.10.4.2.
[309] *Id.* § 44.10.4.3.
[310] *Id.* § 44.10.4.3. The Eligible Customer must submit to the NYISO any requested change to the Point of Interconnection through a Load Modification Request. In such case, the NYISO will modify the priority designation for the Load Queue Position assigned to the Large Load Integration Request based on the date and time of the NYISO's receipt of the completed Load Modification Request form. The NYISO will notify the Connecting Transmission Owner and Affected Transmission Owner of this change when notifying the Eligible Customer of its modified Load Queue Position. *Id.*
[311] Proposed OATT Attach. LL § 44.10.4.3.
[312] *See* proposed OATT Attach. LL § 44.1 (definition of Assessment of Load Integration).
[313] Proposed OATT Attach. LL §§ 44.1 (definitions of ALI Part 1 Study and ALI Part 2 Study), 44.11.1.4.
[314] *Id.* § 44.11.1.3.

Large Load Project's proposed interconnection to facilitate the Transmission Owners' identification and cost allocation of Network Upgrades in the Facilities Study.

The Assessment of Load Integration will have a scheduled duration of one year. It will commence following the latter of: (i) the completion of the ALI Entry Decision Period or (ii) the completion of the Assessment of Load Integration and Facilities Study for the previous Transition Large Load Integration Study Process or Large Load Integration Study Process.[315]

a) Base Case for Assessment of Load Integration

The NYISO proposes to use for the base cases of the Assessment of Load Integration, as applicable, the base cases described in Parts II.G.ii and II.G.iii above for the performance of the Resource Adequacy Impact Standard and Transmission Security Standard.[316] The NYISO proposes that it may update the assumptions in these base cases, including any updates received from Connecting Transmission Owners and Affected Transmission Owners on the Large Load Projects and associated Network Upgrades that have been studied in a previous cycle of the Large Load Integration Study Process, in accordance with the NYISO's procedures.[317] Within 5 Business Days following the completion of the ALI Entry Decision Period, the Connecting Transmission Owners and Affected Transmission Owners will provide any updates for the NYISO to review and incorporate in the assumptions in the base cases.[318] In addition, the NYISO will develop the scope of the ALI Part 1 Study, which it will provide to the impacted Connecting Transmission Owners and Affected Transmission Owners for their review.[319] The NYISO will also provide the base cases that it will use for the Assessment of Load Integration to the impacted Connecting Transmission Owners and Affected Transmission Owners.[320]

b) ALI Part 1 Study

The NYISO proposes for the ALI Part 1 Study that it will evaluate the impact on the Bulk Electric System of the proposed interconnection of the Large Load Projects that satisfied the requirements to enter the Assessment of Load Integration.[321] For this evaluation, the NYISO will use: (i) the Resource Adequacy Impact Standard, as applicable, for the individual Large Load Projects (except for State Exempt Large Load Projects) and for the collective group of any State Exempt Large Load Projects and (ii) the Transmission Security Standard for the Group of Large Load Projects, including confirming each Large Load Project's contribution to any observed transmission security violations.[322]

Within 150 Calendar Days from the end of the ALI Entry Decision Period, the NYISO will provide the applicable Transmission Owners with any transmission security violations identified in the ALI Part 1 Study for use by the Transmission Owner in the Facilities Study to

[315] *Id.* §§ 44.11.1.1, 44.11.1.2.
[316] *Id.* § 44.11.1.5.
[317] *Id.* § 44.11.1.5.
[318] *Id.* § 44.11.1.5.
[319] Proposed OATT Attach. LL § 44.11.1.5.
[320] *Id.* § 44.11.1.5.
[321] *Id.* § 44.11.2.1.
[322] *Id.* § 44.11.2.1.

design Network Upgrades to mitigate the violations.[323] The NYISO will also provide the applicable Transmission Owners with each Large Load Project's contribution to the identified violations for use by the Transmission Owner in the Facilities Study to allocate the costs of Network Upgrades among the Large Load Projects.[324]

Based on the evaluations in the ALI Part 1 Study, the NYISO will update the amount of Firm Withdrawal Service and Non-Firm Withdrawal Service for each Large Load Project and, if requested, whether any portion of a Large Load Project is eligible to be classified as a Zero Withdrawal Service Load.[325] The NYISO will provide the draft study results to Eligible Customers and Transmission Owners for their review.[326] This will include: (i) the violations identified in the ALI Part 1 Study, (ii) the Large Load Project's contribution percentages to the identified violations, (iii) the amount of Firm Withdrawal Service and Non-Firm Withdrawal Service for each Large Load Project; and (iv) if requested, whether any portion of the Large Load Project is eligible to be classified as a Zero Withdrawal Service Load.[327]

The NYISO will also perform sensitivities based on its engineering judgment to identify how the violations and contribution percentages determined in ALI Part 1 could change if one or more Large Load Projects withdraw, elect to obtain Non-Firm Withdrawal Service in lieu of Network Upgrades, or fail to accept its cost allocation and post security in accordance with the Facilities Study requirements.[328] The NYISO will provide the Transmission Owners with the results of any sensitivities performed by the NYISO in ALI Part 1 for use by the Transmission Owner in the Facilities Study.[329]

c) ALI Part 2 Study

For the ALI Part 2 Study, the NYISO will review and confirm that the Non-Local Network Upgrades designed by Transmission Owners in the Facilities Studies resolve the violation(s) identified in the ALI Part 1 Study and do not result in new violations.[330] If a Transmission Owner in a Facilities Study identifies the need for an additional Non-Local Network Upgrade or a Local Network Upgrade that the Transmission Owner believes impacts the Bulk Electric System, the NYISO will review and confirm that such Network Upgrade does not result in new violations on the Bulk Electric System. The NYISO will notify the applicable Transmission Owner of the NYISO's review within 30 Calendar Days of the NYISO's receipt of the upgrade identified by the Transmission Owner.[331]

ii. Facilities Study

[323] *Id.* § 44.11.2.2.
[324] *Id.* § 44.11.2.2.
[325] Proposed OATT Attach. LL § 44.11.2.3.
[326] *Id.* § 44.11.2.4.
[327] *Id.* § 44.11.2.4.
[328] *Id.* § 44.11.2.5.
[329] *Id.* § 44.11.2.5.
[330] *Id.* § 44.11.3.1.
[331] Proposed OATT Attach. LL § 44.11.3.1.

The NYISO proposes that the Facilities Studies for a Large Load Project be performed, as applicable, by the Connecting Transmission Owner to which system the project proposes to interconnect and any Affected Transmission Owner which system is impacted by the project.[332] Consistent with the NYISO's existing load interconnection process and the NYISO's other interconnection procedures, the Transmission Owner is responsible for determining the required Attachment Facilities and Network Upgrades for its system and estimating the costs and schedule for constructing such facilities.[333] As described below, in the Facilities Study, the Transmission Owner will further determine the Attachment Facilities and Network Upgrades required for the reliable interconnection of the Large Load Project, identify the estimated costs and schedule to construct these facilities, and allocate the cost of the facilities among the applicable Large Load Projects. The Transmission Owner will commence the Facilities Study for a Large Load Project no later than the NYISO's commencement of the Assessment of Load Integration for the project.[334]

The Transmission Owner will tender the Eligible Customer a Facilities Study agreement.[335] In the agreement, the Eligible Customer must agree to reimburse the Transmission Owner(s) for performing the required Facilities Study and provide the study deposit required by the Transmission Owner.[336] The Eligible Customer must execute a Facilities Study agreement, comply with any requirements of the Transmission Owner(s), and return the agreement to the Transmission Owner(s).[337] The Transmission Owners will include the *pro forma* Facilities Study agreement in their separate Section 205 filing(s).

a) Performance of Facilities Study

The Connecting Transmission Owner will coordinate with any Affected Transmission Owners and Affected System Operators concerning the performance of the Facilities Studies.[338] The applicable Transmission Owner may group Large Load Projects as appropriate for the performance of the Facility Study.[339]

The Connecting Transmission Owner and Affected Transmission Owner will design the Attachment Facilities and Local Network Upgrades required to reliably interconnect the Large Load Project with the New York State Transmission System in accordance with Applicable Reliability Requirements, Applicable Laws and Regulations, and Good Utility Practice.[340] The

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[332] *See* proposed OATT Attach. LL § 44.1 (definition of Facilities Study).

[333] For the NYISO's Cluster Study Process and Transmission Interconnection Procedures, the NYISO coordinates with the Transmission Owner concerning the identification of non-local upgrades and the Transmission Owner designs the upgrades and determines the estimate of the costs and the schedule for constructing such upgrades.

[334] Proposed OATT Attach. LL § 44.12.1.1.

[335] *Id.* § 44.12.1.2.

[336] *Id.* § 44.12.1.2.

[337] *Id.* § 44.12.1.2.

[338] *Id.* § 44.12.1.3.

[339] *Id.* § 44.12.1.3.

[340] Proposed OATT Attach. LL § 44.12.1.4. Local Network Upgrades include Network Upgrades necessary to physically interconnect a proposed Large Load Project to the Connecting Transmission Owner's transmission system, consistent with applicable interconnection and system protection design. *Id.* § 44.1 (definition

Connecting Transmission Owner and Affected Transmission Owner will provide an estimate of the cost of the Attachment Facilities and Local Network Upgrades, along with a schedule showing the estimated time required to complete the engineering and design, procurement, construction, installation, and commissioning phases for the required Attachment Facilities and Local Network Upgrades.[341]

Each Connecting Transmission Owner and Affected Transmission Owner will also assess the impact of the proposed interconnection of the Large Load Project on the non-Bulk Electric System and the distribution system using the Transmission Security Standard.[342] As necessary, the Connecting Transmission Owner and Affected Transmission Owner may perform additional analyses, including, but not limited to, bus flow analysis for the Bulk Electric System and the non-Bulk Electric System affected by the proposed interconnection of the Large Load Project. The Connecting Transmission Owner and Affected Transmission Owner will design Non-Local Network Upgrades to resolve violations on the non-Bulk Electric System or distribution system or violations related to bus flow analysis on the Bulk Electric System and will provide a good faith cost estimate for such upgrades, along with a preliminary schedule showing the estimated time required to complete the engineering and design, procurement, construction, installation, and commissioning phases for the required Non-Local Network Upgrades for their respective facilities.[343]

Finally, following the NYISO's completion of the ALI Part 1 Study, the Connecting Transmission Owner and Affected Transmission Owner will design Non-Local Network Upgrades required to address violations on the Bulk Electric System identified in the ALI Part 1 Study.[344] The Connecting Transmission Owner and Affected Transmission Owner will provide a good faith cost estimate for such upgrades, along with a preliminary schedule showing the estimated time required to complete the engineering and design, procurement, construction, installation, and commissioning phases for the required Non-Local Network Upgrades.[345] The Transmission Owner will provide the Non-Local Network Upgrades to the NYISO for its review in the ALI Part 2 Study within 120 Calendar Days of the NYISO providing any transmission security violations identified in the ALI Part 1 Study.[346] The NYISO and Transmission Owner will coordinate to confirm: (i) whether the Non-Local Network Upgrades fully resolve the

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of Local Network Upgrades). They include any electrical facilities required to make the physical connection (e.g., a new ring bus for a line connection or facilities required to create a new bay for a substation connection). *Id.* They also include any system protection or communication facilities that may be required for protection of the Connecting Transmission Owner's and/or Affected Transmission Owner's transmission facility (line or substation) involved in the interconnection. *Id.*

[341] Proposed OATT Attach. LL § 44.12.1.4.

[342] *Id.* § 44.12.1.5.

[343] *Id.* § 44.12.1.5.

[344] *Id.* § 44.12.1.6. Non-Local Network Upgrades include Network Upgrades required to mitigate any adverse reliability impact(s) of the Large Load Project(s) identified through analysis such as power flow, short circuit, or stability (e.g., replacement of a circuit breaker at a nearby substation that becomes overdutied as a result of the Large Load Project(s)). *Id.* § 44.1 (definition of Non-Local Network Upgrades).

[345] Proposed OATT Attach. LL § 44.12.1.6.

[346] *Id.* § 44.12.1.6.

identified violations on the Bulk Electric System or create additional violations and (ii) whether further refinement in the determination of any Non-Local Network Upgrades is required.[347]

b) Consideration of Alternative Transmission Technologies

In the Show Cause Order, the Commission directed the NYISO to propose tariff revisions to require (1) the evaluation of alternative transmission technologies as potential solutions to accommodate an Eligible Customer's request for transmission service on behalf of a large load, and (2) if alternative transmission technologies are not identified, to include in the study report a sufficiently clear demonstration of why alternative transmission technologies are not feasible or would not result in lower costs or a faster timeline for accommodating the transmission service request.[348]

The NYISO proposes that the Transmission Owner consider in identifying the Network Upgrades in the Facilities Study the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting.[349] The Transmission Owner will consider each alternative transmission technology that could reasonably be implemented to address the identified violation or constraint and determine whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Requirements, and Applicable Laws and Regulations.[350] The Transmission Owner will provide an explanation of the results for each technology.[351]

c) Completion of Facilities Study

At the conclusion of the Facilities Study, the Connecting Transmission Owner and Affected Transmission Owner will require the Large Load Project to accept the cost allocation of any required Attachment Facilities and Network Upgrades and to post security to cover the allocated cost, consistent with the terms of the Transmission Owner's cost recovery agreement and security agreement.[352] If the Large Load Project does not satisfy a milestone demonstrating its acceptance of its cost responsibility for Network Upgrades and Attachment Facilities in accordance with the requirements established by the applicable Transmission Owner within 14 Calendar Days of the completion of the Facilities Study, the applicable Transmission Owner will notify the NYISO, and the NYISO will withdraw the Large Load Project from the Load Queue.[353]

The Connecting Transmission Owner and Affected Transmission Owner will inform the NYISO of the results of the Facilities Study, including: (i) any Network Upgrades identified for each Large Load Project and their estimated cost and time to construct and enter service, and (ii)

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[347] *Id.* § 44.12.1.6.

[348] Show Cause Order at PP 67-68. Alternatively, the Show Cause Order permitted the NYISO to explain whether its tariffs remained just and reasonable without these revisions.

[349] Proposed OATT Attach. LL § 44.12.1.7.

[350] *Id.* § 44.12.1.7.

[351] *Id.* § 44.12.1.7.

[352] *Id.* § 44.12.1.8.

[353] *Id.* § 44.12.1.8.

whether the Eligible Customer for the Large Load Project accepted its cost allocation for any Network Upgrades and posted the related security.[354]

iii. Conclusion of Large Load Integration Study Process

In the Show Cause Order, the Commission indicated that the NYISO's current tariff appears unjust and unreasonable because it does not require the provision of data on NYISO's website in a single location and in an easily accessible format that is searchable and allows users to filter the data that identifies the Network Upgrades that are needed to accommodate requests for transmission service by Eligible Customers on behalf of large loads, and the costs of those Network Upgrades.[355]

The NYISO proposes to provide details on its website concerning the results of the Large Load Integration Study Process following its completion of the Assessment of Load Integration and the Transmission Owners' provision to the NYISO of the final results of the Facilities Studies. In particular, the NYISO will notify stakeholders of the completion of the Large Load Integration Study Process for the Group of Large Load Projects. The NYISO will post on its website a summary in an easily accessible format that is searchable and allows users to filter the data that provides: (i) each Large Load Project's final amount of Firm Withdrawal Service and Non-Firm Withdrawal Service and, if requested, its eligibility to be classified as a Zero Withdrawal Service Load, (ii) the Network Upgrades identified for each Large Load Project as provided by the Connecting Transmission Owner and/or Affected Transmission Owner, and (iii) the cost of the Network Upgrades.[356]

The NYISO proposes that after its final reconciliation of the Eligible Customer's costs incurred in the Large Load Integration Study Process and Eligible Customer's payment of all invoices, the NYISO will proceed with the return and cancellation process for the Study Deposit and Readiness Deposit as described in Part III.B.i.c.[357]

J. Affected Systems

The NYISO proposes tariff revisions in Attachment LL to address how Affected System impacts of load interconnections will be assessed within the New York Control Area and how the NYISO will coordinate with neighboring regions – External Affected Systems – concerning the impacts of load interconnections.

i. Coordination with Affected Systems within the New York Control Area

The NYISO proposes to coordinate the conduct of any studies required to determine the impact of the Large Load Integration Request on Affected Systems within the New York Control

[354] *Id.* § 44.12.1.9.
[355] Show Cause Order at P 82.
[356] Proposed OATT Attach. LL § 44.11.4.1.
[357] *Id.* § 44.11.4.1.

Area with Affected System Operators, as soon as they are identified.[358] The NYISO will include those results on Affected System Operators' and Affected Transmission Owners' systems in the Large Load Integration Study Process within the time frame specified in the Large Load Integration Procedures.[359] The NYISO will invite such Affected System Operators to all meetings held with the Eligible Customer as required by the Large Load Integration Procedures.[360] The Eligible Customer must cooperate with the NYISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems.[361] An Affected System Operator, the NYISO, and Connecting Transmission Owner with whom interconnection has been requested will cooperate with each other in all matters related to the type and/or conduct of studies and the determination of modifications to Affected Systems.[362]

ii. Coordination with External Affected Systems

The NYISO proposes to establish requirements concerning how it will coordinate with its neighboring regions – External Affected Systems – concerning the coordination and study of the impacts of load projects proposing to interconnect in New York or in a neighboring region.[363] The NYISO's proposal to establish separate requirements for coordination with External Affected Systems is consistent with its approach in its Standard Interconnection Procedures.

For Large Load Projects proposing to interconnect in the NYISO's region, the NYISO proposes to identify potential impacts on External Affected Systems during the Resource Adequacy and Modeling Period once the Large Load Projects participating in the Group for the Large Load Integration Study Process have been confirmed.[364] At the time of initial notification, the NYISO will provide an impacted Eligible Customer with a list of potential Affected Systems, along with relevant contact information for such systems.[365] The NYISO will coordinate the conduct of any studies required to determine the impact of the Large Load Integration Request on External Affected Systems with External Affected System Operators.[366] Eligible Customer will cooperate with the NYISO and External Affected System Operator in all matters related to

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[358] *Id.* § 44.13.1.1. The Affected System Operator can be identified by its own accord, by the Connecting Transmission Owner, by the NYISO, or by members of the NYISO's Operating Committee or Transmission Planning Advisory Subcommittee of the NYISO's Operating Committee. *Id.*

[359] Proposed OATT Attach. LL § 44.13.1.2. For identified Affected Transmission Owner(s) of facilities that are electrically adjacent to the Point of Interconnection and that have design criteria, operational criteria, or other local planning criteria applicable to either (1) the substation to which the Eligible Customer proposes to interconnect; or (2) the substation that will be required to be built to accommodate the interconnection, the NYISO will provide such Affected Transmission Owner(s) with the opportunity to review and provide comments on all study scopes, study reports and drafts thereof for the project, and will be included on communications regarding the project and meetings discussing the project or any of its studies, where such communications or meetings involve the NYISO, Eligible Customer, and Connecting Transmission Owner. *Id.* § 44.13.1.3.

[360] Proposed OATT Attach. LL § 44.13.1.2.

[361] *Id.* § 44.13.1.2.

[362] *Id.* § 44.13.1.2.

[363] *Id.* § 44.1 (definitions of External Affected System and External Affected System Operator).

[364] *Id.* § 44.13.2.1. If the NYISO subsequently identifies additional or changes to potential impacts on an External Affected System during the performance of the Large Load Integration Study Process, the NYISO will notify the External Affected System Operator of the impacts. *Id.*

[365] Proposed OATT Attach. LL § 44.13.2.2.

[366] *Id.* § 44.13.2.3.

the conduct of studies and the determination of modifications to the External Affected Systems.[367] Any work on or impacting the External Affected System that is required for the reliable interconnection of the Large Load Project must be completed prior to the Large Load Project entering service.[368] However, the Eligible Customer may coordinate with the NYISO, applicable Transmission Owner(s), and External Affected System Operator concerning any limited operation, including any related studies, prior to the required work on the External Affected System being completed.[369]

iii. Study of Impacts to New York State Transmission System of an Affected System Eligible Customer's Proposed Interconnection to Another Region's Transmission System

The NYISO proposes to establish its responsibilities when it receives notification that a customer in another region – an Affected System Eligible Customer – is proposing to interconnect a load project to another region's transmission system that may impact the New York State Transmission System.[370] In such case, the NYISO will cooperate with the other region in all matters related to the conduct of studies and the determination of modifications to the New York State Transmission System.[371]

a) Response to Notification

When the NYISO receives initial notification based on the applicable interconnection study or restudy in another region that an Affected System Eligible Customer's proposed interconnection of a load project to another region's transmission system may impact the New York State Transmission System, the NYISO must respond in writing within 20 Business Days whether it intends to conduct an Affected System Load Study.[372] By 15 Business Days after the NYISO responds with its affirmative intent to conduct an Affected System Load Study, the NYISO will share with Affected System Eligible Customer(s) and its host region a non-binding good faith estimate of the cost and the schedule to complete the Affected System Load Study.[373]

b) Affected System Load Queue Position

[367] *Id.* § 44.13.2.3.
[368] *Id.* § 44.13.2.3.
[369] *Id.* § 44.13.2.3.
[370] *Id.* § 44.1 (definition of Affected System Eligible Customer).
[371] Proposed OATT Attach. LL § 44.13.3.1.
[372] Proposed OATT Attach. LL § 44.13.3.1.1.1. Within 5 Business Days of receipt of notification of a restudy of the applicable interconnection study in another region, the NYISO will send written notification to Affected System Eligible Customer(s) involved in the restudy and the host transmission provider that the NYISO intends to delay a planned or in-progress Affected System Load Study until after completion of the restudy. If the NYISO decides to delay the Affected System Load Study, it is not required to meet its obligations concerning the Affected System Load Study until the time that it receives notification from the host transmission provider that the restudy is complete. If the NYISO decides to move forward with its Affected System Load Study despite the restudy, then it must meet all of the tariff requirements for the study. *Id.* § 44.13.3.1.1.2.
[373] Proposed OATT Attach. LL § 44.13.3.1.1.1.

The NYISO proposes to assign an Affected System Load Queue Position to Affected System Eligible Customer(s) that require(s) an Affected System Load Study.[374] The Affected System Load Queue Position will be assigned based upon the date of execution of the Affected System Load Study Agreement.[375] The NYISO will study the Affected System Eligible Customer(s) that are all interconnecting in a particular region in a consolidated Group, and all Affected System Eligible Customers studied in the same Group will be equally queued.[376] For Affected System Eligible Customers that are equally queued, the Affected System Load Queue Position will have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Load Study.[377] The NYISO proposes that the costs of the Affected System Network Upgrades be allocated among the Affected System Eligible Customers in accordance with the requirements in Attachment P to the ISO OATT as described below.[378]

c) Affected System Load Study Agreement

The NYISO proposes to provide to Affected System Eligible Customer(s) an Affected System Load Study Agreement or a Multiparty Affected System Load Study Agreement, as applicable, within 10 Business Days of the NYISO sharing the schedule for the Affected System Load Study, unless otherwise agreed upon.[379] The NYISO proposes to establish these form study agreements in Appendices 4 and 5 of Attachment LL. The study agreements are consistent with the agreements used in the NYISO's Standard Interconnection Procedures. The NYISO will invoice the Affected System Eligible Customer(s) for the actual cost of the Affected System Load Study, and the NYISO will notify Affected System Eligible Customer's host region of any failure to pay.[380]

The Affected System Eligible Customer(s) must execute, as applicable, the Affected System Load Study Agreement or Multiparty Affected System Load Study Agreement, deliver the executed agreement to the NYISO, and provide the study deposit in the amount of $100,000 within 10 Business Days of receipt.[381] If the Affected System Eligible Customer does not provide all required technical data when it delivers the study agreement, the NYISO will notify the deficient Affected System Eligible Customer, as well as its host region, of the technical data deficiency within 10 Business Days of the receipt of the executed study agreement.[382] The deficient Affected System Eligible Customer must cure the technical data deficiency within 10

[374] *Id.* §§ 44.1 (definition of Affected System Load Queue Position), 44.13.3.1.2.
[375] *Id.* § 44.13.3.1.2.
[376] *Id.* § 44.13.3.1.2.
[377] *Id.* § 44.13.3.1.2.
[378] *Id.* § 44.13.3.1.2.
[379] Proposed OATT Attach. LL §§ 44.1 (definitions of Affected System Load Study Agreement and Multiparty Affected System Load Study Agreement), 44.13.3.1.3.
[380] Proposed OATT Attach. LL § 44.13.3.1.3.
[381] *Id.* § 44.13.3.1.4. If the NYISO notifies Affected System Eligible Customer(s) that it will delay the Affected System Load Study due to a re-study in the host region, Affected System Eligible Customer(s) are neither required to execute and return the previously tendered study agreement, nor provide the Affected System Load Study deposit for the previously tendered study agreement. *Id.*
[382] Proposed OATT Attach. LL § 44.13.3.1.4.

Business Days of receipt of the notice.[383] This deficiency does not include failure to deliver the executed study agreement or the deposit for study agreement.[384] If Affected System Eligible Customer does not cure the technical data deficiency within the cure period or fails to execute the study agreement or provide the deposit, the Affected System Eligible Customer will lose its Affected System Load Queue Position.[385]

d) Scope of Affected System Load Study

For the Affected System Load Study, the NYISO proposes to use the most recent of the base case of the latest in time Assessment of Load Integration or Short-Term Reliability Process that is available at the time of the commencement of the Affected System Load Study.[386] The NYISO will coordinate with the Affected System Eligible Customer(s)' host region as necessary to align to the extent possible the network system modeling between the regions for purposes of the Affected System Load Study.[387]

The NYISO will identify and notify any Transmission Owners whose systems are potentially impacted by the Affected System Eligible Customer's load project.[388] The NYISO and the identified Transmission Owners will develop the scope of the Affected System Load Study.[389] The NYISO will hold a scoping meeting among the NYISO, the Affected System Eligible Customer(s) with load projects participating in the Group for the Affected System Load Study, and the impacted Transmission Owner(s).[390] The NYISO will conduct the Affected System Load Study for a group of load projects and shall use existing studies to the extent practicable, when multiple Affected System Eligible Customers that are part of a single group may cause the need for Affected System Network Upgrades.[391] The Affected System Load Study will commence upon agreement between the NYISO and Transmission Owner(s) concerning the scope of the study.[392]

The NYISO will evaluate the impact that Affected System Eligible Customer's proposed interconnection of a load project to another region's transmission system will have on the reliability of the Bulk Electric System portion of the New York State Transmission System using the Transmission Security Standard.[393] The Transmission Owner(s) will evaluate the impact of the interconnection of the Affected System Eligible Customer's load project on the non-Bulk Electric System using the Transmission Security Standard.[394] If adverse impacts to reliability are identified, the NYISO, in coordination with the Transmission Owner, will identify potential Affected System Network Upgrades, to the extent not Physically Infeasible, and the

[383] *Id.* § 44.13.3.1.4.
[384] *Id.* § 44.13.3.1.4.
[385] *Id.* § 44.13.3.1.4.
[386] *Id.* § 44.13.3.1.5.1.
[387] *Id.* § 44.13.3.1.5.1.
[388] Proposed OATT Attach. LL § 44.13.3.1.5.2.
[389] *Id.* § 44.13.3.1.5.2.
[390] *Id.* § 44.13.3.1.5.2.
[391] *Id.* §§ 44.1 (definition of Affected System Load Study), 44.13.3.1.5.2.
[392] *Id.* § 44.13.3.1.5.2.
[393] *Id.* § 44.13.3.1.5.3.
[394] Proposed OATT Attach. LL § 44.13.3.1.5.3.

Transmission Owner will provide a preliminary indication of the cost and length of time required or the Affected System Network Upgrades.[395] The NYISO, in coordination with the Transmission Owner(s), will develop an Affected System Load Study Report summarizing the results of the Affected System Load Study and will provide the report to the Affected System Eligible Customer(s) and its host region.[396] Within 10 Business Days of providing the Affected System Load Study Report to Affected System Eligible Customer(s), the NYISO, Affected System Eligible Customer(s), and Affected Transmission Owner or Affected System Operator will meet as permitted by schedule or availability of the parties to discuss the results of the Affected System Load Study.[397] Upon request, the NYISO will provide Affected System Eligible Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Load Study, subject to confidentiality arrangements.[398]

e) Evaluation of Affected System Network Upgrades

The NYISO proposes to establish requirements for the circumstance in which an Affected System Load Study identifies that Affected System Network Upgrades are required to mitigate adverse impacts to reliability of an Affected System Eligible Customer's load project. In such case, the NYISO proposes that the Affected System Eligible Customer must submit a Transmission Interconnection Application in accordance with the requirements in the NYISO's Transmission Interconnection Procedures in Attachment P to the OATT for the evaluation of the identified Affected System Network Upgrades.[399] This is consistent with the NYISO's current practice for addressing impacts in New York of load projects proposing to interconnect in neighboring regions.

The Affected System Network Upgrades may proceed directly to be evaluated in the Facilities Study in the Transmission Interconnection Procedures.[400] The Affected System Eligible Customer must satisfy the requirements in Attachment P of the ISO OATT concerning the Affected System Network Upgrades, including accepting the Affected System Eligible Customer's cost allocation identified in Attachment P and paying cash or posting Security for the allocated amount.[401] The Affected Transmission Owner or Affected System Operator must enter into a construction agreement with the Affected System Eligible Customer for the construction of the Affected System Network Upgrades.[402]

III. POST-STUDY REQUIREMENTS

i. Post-Study Agreements

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[395] *Id.* §§ 44.1 (definition of Affected System Network Upgrade), 44.13.3.1.5.3.

[396] *Id.* §§ 44.1 (definition of Affected System Load Study Report), 44.13.3.1.5.3. The NYISO will not have an obligation to study impacts of Affected System Eligible Customers of which it is not notified. *Id.*

[397] Proposed OATT Attach. LL § 44.13.3.1.5.3.

[398] *Id.* § 44.13.3.1.5.3.

[399] *Id.* § 44.13.3.1.5.4.

[400] *Id.* § 44.13.3.1.5.4.

[401] *Id.* § 44.13.3.1.5.4.

[402] *Id.* § 44.13.3.1.5.4.

The NYISO proposes that following the completion of the Facilities Study the Eligible Customer for the Large Load Project may elect to continue with the proposed interconnection of its Large Load Project by (i) entering into an interconnection agreement with the Transmission Owner for which system the Eligible Customer proposed to interconnect its Large Load Project and (ii), as applicable, entering into construction agreement(s) for Network Upgrades with any Transmission Owner(s) or Affected System Operator(s) for which system a Network Upgrade is required in connection with the Large Load Project.[403] The agreements must identify any required Attachment Facilities and Network Upgrades and specify the Large Load Project's cost responsibility for such facilities consistent with the terms of the applicable Transmission Owner's cost recovery agreement and security agreement.[404] The NYISO proposes that these agreements remain two-party agreements between the Transmission Owner and the Large Load Project consistent with the longstanding practice under its existing load interconnection requirements. The Transmission Owner is responsible for determining the Attachment Facilities and Network Upgrades required for the safe and reliable interconnection of the Large Load Project, estimating and allocating the costs of these facilities, and owns and/or operates the system impacted by the interconnection, while the Large Load Project is responsible for paying for the expense of the required facilities and for coordinating with the Transmission Owner concerning the construction of the facilities. As discussed in Part VI below, the NYISO anticipates that the Transmission Owners will include two-party security, cost recovery, and interconnection agreements in their concurrent FPA Section 205 filing.

ii. Transmission Service Agreement for Firm and Non-Firm Withdrawal Service for Large Loads

In the Show Cause Order, the Commission preliminarily found the NYISO's tariff to be unjust and unreasonable because it lacks *pro forma* provisions in a transmission service agreement between NYISO and the transmission customer taking transmission service on behalf of a large load to memorialize operational requirements for transmission customers taking transmission service on behalf of large loads (e.g., equipment requirements, data requirements, remote disconnect capability).[405]

The NYISO proposes to establish in its OATT requirements for entering into a Transmission Service Agreement and the proposed *pro forma* Transmission Service Agreement.

a) Process for Entering into Transmission Service Agreement

The NYISO proposes to require the Eligible Customer and the Large Load (if the Large Load is not its own Eligible Customer or Load Serving Entity) to enter into a Transmission Service Agreement with the NYISO.[406] The NYISO will offer the standard form Transmission Service Agreement to an Eligible Customer when it submits a Completed Application, and the

[403] Proposed OATT Attach. LL § 44.14.1.
[404] *Id.* § 44.14.1.
[405] Show Cause Order at PP 63, 71.
[406] Proposed OATT Attach. LL § 44.14.2.

Eligible Customer and, if applicable, the Large Load will be required to enter into the Transmission Service Agreement in order to receive Withdrawal Service.[407]

b) Pro Forma Transmission Service Agreement

The NYISO proposes to establish a new, *pro forma* Transmission Service Agreement for Large Loads obtaining Firm Withdrawal Service or Non-Firm Withdrawal Service. The new agreement will be located in Attachment B to the OATT.[408]

The NYISO proposes to establish certain general requirements in the Transmission Service Agreement.[409] In particular, the Transmission Service Agreement establishes that the NYISO agrees to provide, and the Transmission Customer agrees to pay, for Firm Withdrawal Service and/or Non-Firm Withdrawal Service in accordance with the Withdrawal Service requirements in the OATT, other Transmission Owner rate schedules, and the terms of the Transmission Service Agreement.[410] The agreement specifies that the Transmission Customer's eligibility to take such service on behalf of Large Load will be determined in accordance with the Large Load Integration Procedures in Attachment LL and other applicable requirements in the OATT and Services Tariff.[411] The agreement provides that such Withdrawal Service is subject to adjustment in accordance with the Large Load Integration Procedures in Attachment LL, the requirements in the Services Tariff, and the NYISO's procedures.[412]

The agreement provides that the Withdrawal Service provided under the agreement will commence on the latest of: (1) the requested service commencement date, (2) the date construction of any Attachment Facilities and/or Network Upgrades are completed, (3) the date that all of the applicable preconditions for obtaining the requested Withdrawal Service set forth in the tariffs are satisfied, or (4) any such date the Withdrawal Service is permitted to commence by the Commission.[413]

The NYISO also proposes to include additional requirements in the Transmission Service Agreement that are specific to the Firm Withdrawal Service and/or the Non-Firm Withdrawal Service for the Large Load.

For purposes of Firm Withdrawal Service, the NYISO proposes to require that the Transmission Customer and Large Load comply with all applicable requirements in the OATT

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[407] Proposed OATT § 3A.4. An executed Transmission Service Agreement that contains the information required under the tariff will be filed with the Commission, if required, in compliance with the applicable Commission regulations. *Id.*

[408] The new form replaces the existing service agreement placeholder form in Attachment B (OATT Section 8), which was for Non-Firm Point to Point Transmission Service, which service, as indicated in that placeholder form, is not available in the NYISO-administered markets.

[409] Proposed Transmission Service Agreement §§ 1.0 – 8.0. The terms of the OATT and Services Tariff are incorporated into the Transmission Service Agreement. *Id.* § 7.0.

[410] Proposed Transmission Service Agreement § 3.0.

[411] *Id.* § 4.0.

[412] *Id.* § 4.0.

[413] *Id.* § 5.0.

and Services Tariff concerning Firm Withdrawal Service.[414] This includes the Transmission Customer's compliance with the requirements in the Services Tariff concerning Co-Located and Limited Load Configurations, Partner Resource Arrangements, and Co-Located Arrangements. This also includes the Large Load's compliance with the requirements for load modifications and increases and the requirements concerning the performance, protection and control, and monitoring requirements set forth in Attachment LL of the OATT.

For purposes of Non-Firm Withdrawal Service, the NYISO proposes to require that the Transmission Customer and Large Load comply with all applicable requirements in the OATT and Services Tariff concerning Non-Firm Withdrawal Service.[415] This includes the Transmission Customer's compliance with the requirement in the Service Tariff concerning Co-Located and Limited Load Configurations and the bid cap and other bid restrictions. This also includes the Large Load's compliance with the requirements for load modifications and increases and the requirements concerning the performance, protection and control, and monitoring requirements set forth in Attachment LL of the OATT. In addition, the agreement provides for the Large Load's agreement to be subject to the Non-Firm Withdrawal Service Bid Cap, applicable bidding requirements, and all other related requirements set forth in the NYISO's tariffs. Finally, the agreement provides for the Large Load's agreement to be subject to and to comply with additional curtailment requirements and any other requirements specifically applicable to Large Loads as set forth in the NYISO's tariffs.

iii. Large Load Performance, Protection and Control, and Monitoring Requirements

In the Show Cause Order, the Commission preliminarily found the NYISO's tariff to be unjust and unreasonable because it lacks provisions that address ongoing operational requirements for transmission customers serving large loads necessary to ensure reliable operation of the transmission system.**[416]** The NYISO proposes to establish operational requirements for Large Load in its tariffs as described below and in the Nguyen Affidavit.[417] In particular, the NYISO proposes that a Large Load that was subject to the Large Load Integration Procedures must comply with Applicable Reliability Standards, including providing to the NYISO and applicable Transmission Owner(s) all information that they may reasonably require to comply with Applicable Laws and Regulations and Applicable Reliability Standards.[418] In addition, the NYISO proposes that the Large Load must satisfy performance, protection and control, and monitoring requirements described below that will be included in the OATT and further detailed in the NYISO's procedures, unless the NYISO agrees to an exemption to a requirement.[419] The NYISO proposes to explicitly require in the Transmission Service

[414] *Id.* §§ 9.0 - 10.0.
[415] *Id.* §§ 11.0 – 14.0.
[416] Show Cause Order at P 63.
[417] Nguyen Affidavit at PP 38-41.
[418] Proposed OATT Attach. LL § 44.14.3. The NYISO proposes to define Applicable Reliability Standards for Attachment LL as "the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District to which the Large Load is directly interconnected, as those requirements and guidelines are amended and modified and in effect from time to time." *Id.* § 44.1 (definition of Applicable Reliability Standards).
[419] Proposed OATT Attach. LL § 44.14.3.

Agreement that the Large Load must comply with these performance, protection and control, and monitoring requirements.[420]

The NYISO proposes performance, protection and control, and operating requirements as detailed below that address the Commission's findings in the Show Cause Order (which requirements identified with an asterisk are eligible for an exemption as described below).

First, the Commission found that the NYISO's existing tariff does not specify the ramp rate or ride-through requirements with which the transmission customer taking transmission service on behalf of the large load must comply.[421] The NYISO proposes to include in Attachment LL that a Large Load must satisfy the following categories of performance requirements, which will be detailed in the NYISO's procedures: (i) active power ramp rate*, (ii) active power recovery*, (iii) high and low voltage ride through*, (iv) high and low frequency ride through*, (v) multi-disturbance ride through*, (vi) stable operation, (vii) torsional and controller interaction, (viii) cycling, (ix) reactive power capability requirement*, and (x) voltage phase jump*.[422]

Second, the Commission found that the NYISO's existing tariff does not: (i) specify that transmission customer enable the NYISO to remotely disconnect large loads when necessary to maintain reliability of the transmission system, with the costs of such equipment directly assigned to the transmission customer, as well as the terms and conditions under which NYISO may remotely disconnect the large load (e.g., emergency conditions, so that transmission equipment is not harmed) or (ii) require necessary control technologies and/or protection systems that may be necessary to limit a transmission customer's withdrawals from the transmission system as appropriate.[423] The NYISO proposes to include in Attachment LL that a Large Load must satisfy the following protection and control requirements: (i) remote disconnect ability by the Connecting Transmission Owner, (ii) active-power variation monitoring relays,* and (iii) injection and withdrawal limits for co-located facilities implemented with appropriate controls.[424]

Finally, the Commission identified that the NYISO's existing tariff does not specify that: (i) transmission customer provide hourly forecasts, telemetry data, and other data to ensure sufficient visibility or specify requirements for maintaining communication channels between NYISO and the transmission customer on behalf of the large load, or (ii) that the transmission owner install, and transmission customer pay for, equipment to enable the NYISO to monitor large loads for impacts of, for example, fast-ramping load that may impact the transmission system too quickly to be captured by conventional data acquisition systems (e.g., the need for phasor measurement units or similar equipment).[425] The NYISO proposes to include in Attachment LL that a Large Load must possess the following minimum telemetry requirements to ensure sufficient visibility concerning the Large Load: (i) phase 1 analog metering, (ii)

[420] Proposed OATT Attach. B §§ 10.0, 12.0.
[421] Show Cause Order at P 63.
[422] Proposed OATT Attach. LL § 44.14.3.1.
[423] Show Cause Order at P 63.
[424] Proposed OATT Attach. LL § 44.14.3.2.
[425] Show Cause Order at P 70.

revenue grade metering, (iii) SCADA MW/MVAR metering, (iv) digital fault recorder ("DFR"), (v) phasor measurement unit ("PMU") installations, (vi) sequence of event recorder ("SER"), and (vii) dynamic disturbance recorder ("DDR").[426] The communications equipment will facilitate the provision of the data to the NYISO identified in the Show Cause Order, with the exception of load forecast data, which reporting requirements will be addressed in accordance with updated NYISO procedures.

The NYISO proposes that an Eligible Customer for a Large Load that is a Non-Computational Large Load may request that the NYISO grant an exemption from a performance or a protection and control requirement that is eligible for exemption.[427] The operational characteristics of Non-Computational Large Loads, such as traditional manufacturing facilities, are driven by the physical attributes of the load and may not be able to meet certain of the performance or protection and control requirements (e.g., ramp rates that do not align with a reasonable operation of the facility).

The Eligible Customer for a Non-Computational Large Load may request the exemption as part of its Large Load Integration Request or through a modification request.[428] To request an exemption, the Eligible Customer must identify the requirement for which it is requesting an exemption, provide justification for why the requirement cannot be met, and propose an alternative to the requirement.[429] If the request is part of a modification request, the Eligible Customer must also provide technical rationale to support that the proposed alternative would not adversely impact the reliability of the New York State Transmission System.[430] The NYISO or the applicable Transmission Owner may perform studies, at Eligible Customer's expense, to determine if the proposed alternative is permissible. The NYISO will not grant an exemption if it is determined to create reliability concerns or a reliability violation.[431]

iv. Status of Large Load Project and Associated Network Upgrades

The NYISO proposes to establish monitoring requirements for Large Load Projects and associated Network Upgrades that are consistent with the monitoring rules in its Standard Interconnection Procedures.[432] In particular, at: (i) the completion of the first calendar quarter after the NYISO's posting of the final results of the Assessment of Load Integration and (ii) the conclusion of each subsequent calendar quarter, the Eligible Customer or Transmission Customer, as applicable, for the Large Load Project and its respective Connecting Transmission Owner(s) and any Affected Transmission Owner(s) must report on the status of the Large Load

[426] Proposed OATT Attach. LL § 44.14.3.3.

[427] *Id.* § 44.14.3.4. A Non-Computational Large Load is a Large Load Project that does not meet the definition of a Computational Large Load. The NYISO proposes to define Computational Large Load as "a Large Load Project that primarily consists of information technology infrastructure used for: (i) creating, executing, and delivering software applications and services, (ii) artificial intelligence training, development, and delivery, (iii) cryptocurrency mining, or (iv) other computational activities at a data center." *Id.* § 44.1 (definitions of Computational Large Load and Non-Computational Large Load).

[428] Proposed OATT Attach. LL § 44.14.3.4.

[429] *Id.* § 44.14.3.4.

[430] *Id.* § 44.14.3.4.

[431] *Id.* § 44.14.3.4.

[432] *See* OATT Attach. HH § 40.11.6.

Project and any associated Network Upgrades, including the progress of the milestones in the applicable interconnection or construction agreement(s) in a format consistent with, and including the content required by, the NYISO's procedures.[433]

B. Additional Requirements

i. Study Cost Allocation, Invoicing, and Deposit Requirements

The NYISO proposes to establish tariff requirements that describe the Eligible Customer's cost responsibilities for the study work in the Large Load Integration Procedures, the invoicing and payment requirements for these study costs, and the rules for the use and refund of deposits provided under these procedures.[434] These requirements are based on the similar requirements in the NYISO's Standard Interconnection Procedures.[435]

a) Study Cost Responsibility and Allocation of Study Costs

The NYISO proposes that it will charge, and the Eligible Customer will pay, the actual costs of the study work incurred by the NYISO and Transmission Owner for the Large Load Integration Study Process, after the Eligible Customer has submitted its Large Load Integration Request.[436] The NYISO proposes to allocate the costs of the Large Load Integration Study Process among the Eligible Customers for their projects participating in the process so that the Eligible Customer is only responsible for the costs associated with the study of its particular project. In particular, each Eligible Customer must pay an equal share of the Large Load Integration Study Process costs except for the study of Attachment Facilities, which are specific to each project.[437] For Attachment Facilities, the Eligible Customer must pay the actual costs of studying the Attachment Facilities for its own project(s).[438] If more than one Large Load Project contributes to the need for particular Attachment Facilities, those Large Load Projects will share equally in the cost to study those Attachment Facilities.[439]

For an Affected System Load Study, the NYISO proposes that it will charge, and the Affected System Eligible Customer will pay, the actual costs of the study work of that study.[440] The NYISO proposes to allocate such costs among Affected System Eligible Customers participating in the Affected System Load Study, so that each project participating in the study must pay an equal share of the study costs required for the identification of the need for any Affected System Network Upgrades.[441] If more than one project contributes to the need for

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[433] Proposed OATT Attach. LL § 44.14.4.
[434] *Id.* § 44.15.4.
[435] *See* OATT Attach. HH § 40.24.3
[436] Proposed OATT Attach. LL § 44.15.4.1.1. For purposes of the Facilities Study that is conducted by a Transmission Owner, the applicable Transmission Owner will charge and the Eligible Customer will pay the actual costs of the study work incurred by the Transmission Owner for that study. *Id.* § 44.15.4.1.2.
[437] Proposed OATT Attach. LL § 44.15.4.2.1.
[438] *Id.* § 44.15.4.2.1.
[439] *Id.* § 44.15.4.2.1.
[440] *Id.* § 44.15.4.1.1.
[441] *Id.* § 44.15.4.2.3.

particular Affected System Network Upgrades, those projects will share equally in the cost to study the Affected System Network Upgrades.[442]

Finally, for requested modifications to load facilities and projects, the NYISO proposes that it will charge, and the entity that submitted a Load Modification Request will pay, the actual costs of the NYISO's review and any required studies for the Load Modification Request.

The NYISO's proposed approach allocates study costs in accordance with cost causation principles to the particular entities responsible for such costs in place of a more general allocation of costs.

b) Invoicing and Payment Requirements

The NYISO proposes to invoice an Eligible Customer on a monthly basis for study costs.[443] A monthly invoicing approach is consistent with how the NYISO invoices customers in its other interconnection process and provides transparency to customers of their study costs throughout the study process and timely reimbursement of costs incurred by the NYISO.

The Eligible Customer must pay the invoiced amount to the NYISO within thirty 30 Calendar Days of the NYISO's issuance of the invoice.[444] Except as otherwise provided in the billing dispute rules, if the Eligible Customer does not pay its invoice within this period, it will be subject to withdrawal and will be assessed interest on any unpaid invoiced amounts calculated in accordance with section 35.19a(a)(2) of FERC's regulations.[445] To dispute an invoiced amount, an Eligible Customer must (i) timely pay any undisputed amounts to the NYISO and (ii) pay into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute.[446] If the Eligible Customer fails to meet these two requirements, then neither the NYISO nor Transmission Owner is obligated to perform or continue to perform any study work on behalf of the Eligible Customer's Large Load Integration Request, Load Modification Request, or Affected System Load Study.[447] A billing dispute will be addressed through the dispute resolution procedures set forth for the Large Load Integration Procedures as described in Part III.B.i.b.[448] Within thirty 30 Calendar Days after resolution of the dispute, the Eligible Customer will pay the NYISO any amounts due with interest actually earned on such amounts.[449]

Any invoices for the Transition Large Load Integration Study Process, the Large Load Integration Study Process, any study resulting from a Load Modification Request, or an Affected System Load Study must be submitted to the NYISO within 60 days of completion of the subject study and must include a detailed and itemized accounting of the incurred cost of the applicable

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[442] *Id.* § 44.15.4.2.3.

[443] *Id* § 44.15.4.3.1. For purposes of the invoicing and payment provisions requirements, the Eligible Customer includes: (i) the Eligible Customer that submits a Large Load Integration Request, (ii) the entity that submits a Large Load Modification Request, or (iii) an Affected System Eligible Customer. *Id.*

[444] Proposed OATT Attach. LL § 44.15.4.3.2.

[445] *Id* § 44.15.4.3.2.

[446] *Id* § 44.15.4.3.5.

[447] *Id* §§ 44.15.4.3.5, 44.15.4.3.6.

[448] *Id* § 44.15.4.3.5.

[449] *Id* § 44.15.4.3.5.

study work.[450] After the conclusion of the applicable study or if, prior to the conclusion of the process, the Eligible Customer withdraws its applicable request or the request is withdrawn by the NYISO from the Load Queue, the NYISO will issue a final invoice to Eligible Customer, which Eligible Customer must pay within the 30 Calendar Day period.[451]

c) Requirements Applicable to Fees and Deposits

The NYISO proposes to permit entities to provide their required deposits (*e.g.*, Study Deposits, Readiness Deposits) for the Large Load Integration Study Process in the form of cash, a letter of credit, or a surety bond, while they must satisfy any fees using cash (*e.g.*, the application fee).[452]

The NYISO proposes to clarify in Attachment LL its requirements for accepting cash, letters of credit, or surety bonds for deposits.[453] These requirements are consistent with the NYISO's existing credit requirements under its tariffs applicable to Market Participants and its requirements for fees and deposits in its Standard Interconnection Procedures.[454]

The NYISO also proposes to specify how it will hold and apply such deposits, refund any cash deposits, and/or provide authorization to the entity that provided the deposit to request that the issuing entity cancel a letter of credit or surety bond.[455] In particular, the NYISO will hold deposits provided by an Eligible Customer until settlement of the final invoices. If an Eligible Customer has not paid all invoices, the NYISO will recover any unpaid costs from Eligible Customer's deposits. After the NYISO has recovered all unpaid costs, if any, from Eligible Customer's deposits, the NYISO will (i) refund to the Eligible Customer any remaining refundable cash portion of its deposits, and (ii) provide written authorization for Eligible Customer to request that the bank cancel any remaining letter of credit or surety bond provided as a deposit.

These invoicing, payment, and deposit rules do not apply to the Facilities Study or to the requirements under the Facilities Study agreement, security agreement, cost recovery agreement, or interconnection agreement that the Transmission Owners will submit in their separate Section 205 filing(s).

ii. Confidentiality Requirements

The NYISO proposes to include in its Large Load Integration Procedures requirements concerning the treatment of Confidential Information exchanged by the parties during the administration of the procedures.[456] In particular, the NYISO proposes to use the same

[450] Proposed OATT Attach. LL § 44.15.4.3.4.
[451] *Id* § 44.15.4.3.4.
[452] The forms of deposits are for deposits submitted to the NYISO and do not apply to any deposits or security provided to a Transmission Owner in connection with the Facilities Study, which deposit or security is held by the Transmission Owner.
[453] Proposed OATT Attach. LL § 44.15.3.
[454] *See* Services Tariff Attach. K §§ 26.6.1.1, 26.6.1.2; OATT Attach. HH § 40.2.4.
[455] Proposed OATT Attach. LL § 44.15.4.3.3.
[456] *Id.* § 44.15.1.

confidentiality approach that is included in its Standard Interconnection Procedures in Attachment HH of the OATT.[457]

iii. Dispute Resolution Requirements

The NYISO proposes to establish that a party may address a dispute that arises out of or in connection with the Large Load Integration Procedures or their performance in accordance with its standard dispute resolution procedures set forth in Article 11 of the NYISO's Services Tariff.[458] Pursuant to these procedures, parties first attempt to resolve a dispute through informal discussions.[459] If the dispute is not resolved, the parties may agree to proceed with non-binding mediation or arbitration as further detailed in Article 11, or may commence legal proceedings before the Commission or a court of competent jurisdiction.[460]

iv. Third Party Conducting Studies

The NYISO proposes to establish requirements for the use of third parties to conduct study work under the Large Load Integration Procedures that is generally consistent with the similar requirements for its Standard Interconnection Procedures.[461] In particular, the NYISO proposes that the NYISO, a Transmission Owner, or an Affected System Operator may use a Transmission Owner or other third party to perform its respective obligations under the Large Load Integration Procedures.[462] The NYISO proposes that the use of a third party be limited to situations where the NYISO determines that doing so will help maintain or accelerate the study process.[463] Such third-party consultants must comply with the relevant NYISO OATT, procedures, and protocols as would apply if the NYISO were to conduct the study process and must use the information provided to it solely for purposes of performing such services and for no other purposes.[464]

v. Additional Requirements

The NYISO proposes to include in the Large Load Integration Procedures certain process requirements concerning data requirements, limitations of liability, and reserved rights that are based on related requirements in its Standard Interconnection Procedures in Attachment HH of the OATT, which requirements the Commission has previously accepted as just and reasonable.

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[457] *See* OATT Attach. HH § 40.24.1. The confidentiality requirements in the Standard Interconnection Procedures were based on the requirements in the Commission's *pro forma* Large Generator Interconnection Procedures.

[458] Proposed OATT Attach. LL § 44.15.6.

[459] Services Tariff § 11.3.

[460] *Id.* § 11.4.

[461] *See* OATT Attach. HH § 40.24.4. The NYISO's proposed requirements align with these requirements, except that it does not include the reference from Section 40.24.4 to the subcontractors provision in the Standard Interconnection Agreement.

[462] Proposed OATT Attach. LL § 44.15.5.

[463] *Id.* § 44.15.5.

[464] *Id.* § 44.15.5.

First, the NYISO proposes to establish that Eligible Customers must provide the NYISO with all data necessary to make the determinations contemplated by the rules in the Large Load Integration Procedures and the NYISO's procedures.[465] In addition, the NYISO proposes to require that the NYISO or Transmission Owner, as applicable, provide power flow, short circuit, and stability databases, including all underlying assumptions and contingency lists, to the Eligible Customer upon request.[466]

Second, the NYISO proposes to clarify that all obligations of the NYISO or a Transmission Owner pursuant to the Large Load Integration Procedures in Attachment LL of the OATT are services or associated with services under the NYISO's OATT and subject to the limitation of liability requirements contained in the body of the OATT.[467]

Third, the NYISO proposes to clarify that nothing in the Large Load Integration Procedures restricts the rights of any person under the NYISO's OATT or the right of any person to file a complaint with the Federal Energy Regulatory Commission under the relevant provisions of the Federal Power Act or under the Independent System Operator Agreement, Independent System Operator/Transmission Owner Agreement, or an Operating Agreement with the NYISO.[468]

Finally, the NYISO proposes to clarify that any Connecting Transmission Owner's or Affected Transmission Owner's implementation and construction of Network Upgrades will be in accordance with the NYISO's OATT, Commission-approved ISO Related Agreements, the Federal Power Act and Commission precedent, and, therefore, will be subject to the Connecting Transmission Owner's or Affected Transmission Owner's right to recover, pursuant to appropriate financial arrangements contained in agreements or Commission-approved tariffs, all reasonably incurred costs, plus a reasonable return on investment.[469]

IV. THE NYISO'S PROPOSED TARIFF REVISIONS TO ESTABLISH NEW MARKET PARTICIPATION PROVISIONS APPLICABLE TO LARGE LOADS

A. Overview of Key Market Design Elements

The NYISO proposes market participation rules for (1) Large Loads eligible to take Firm Withdrawal Service (referred to herein as "Full Withdrawal Service Loads"); (2) Large Loads or

[465] *Id.* § 44.3.3; *cf.* OATT Attach. HH § 40.2.9.

[466] Proposed OATT Attach. LL § 44.3.2; *cf.* OATT Attach. HH § 40.2.6. The parties must treat Confidential Information in accordance with the confidentiality requirements for the Large Load Integration Procedures, and the NYISO and Connecting Transmission Owner may require that Eligible Customers and password-protected website users sign a non-disclosure agreement before the release of Confidential Information or Critical Energy Infrastructure Information in the base case data. *Id.*

[467] Proposed OATT Attach. LL § 44.3.4; *cf.* OATT Attach. HH § 40.2.10.

[468] Proposed OATT Attach. LL § 44.3.5; *cf.* OATT Attach. HH § 40.2.11.

[469] Proposed OATT Attach. LL § 44.3.6; *cf.* OATT Attach. HH § 40.9.8.7. ISO Related Agreements is defined as "[c]ollectively, the ISO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement, the ISO/TO Agreement, and Operating Agreements." OATT § 1.9.

portions thereof and an Associated Resource(s)[470] that enter into a Co-Located Arrangement[471] or Partner Resource Arrangement[472] in order to allow the Large Load to take some amount of Firm Withdrawal Service; (3) Large Loads or portions thereof taking Non-Firm Withdrawal Service and/or are designated Zero Withdrawal Service Loads, which are known collectively as "Limited Withdrawal Service Loads"; and (4) the co-location of Large Loads with generation.[473]

Full Withdrawal Service Loads are Large Loads that do not adversely impact resource adequacy and/or transmission security or have appropriately mitigated such impacts and are deemed eligible for full Firm Withdrawal Service, as determined in the LLIP. Such a Large Load may use the NYS Transmission System and participate in the markets in the same way as other existing Firm service Load that currently participates in the ISO Administered Markets. Consistent with existing Load bidding rules, a Transmission Customer serving a Large Load taking only Firm Withdrawal Service shall not be required to, but may, submit Day-Ahead Bids for the Large Load.[474]

A Large Load that is seeking Firm Withdrawal Service and has been identified in the LLIP as causing impermissible adverse impacts on resource adequacy may pair with a new Installed Capacity Supplier through a (1) a Co-Located Arrangement with an Associated

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[470] An "Associated Resource" shall be defined as "[a] Co-Located Resource or Partner Resource that may mitigate some or all of a Large Load's adverse impacts to resource adequacy and/or transmission security identified in the LLIP set forth in Attachment LL of the ISO OATT, which allows the respective Co-Located Load or Large Load to take some amount of Firm Withdrawal Service." *See* Services Tariff § 2.1. An Associated Resource must be (a) a proposed project that does not yet meet the inclusion rules for the Reliability Planning Process at the time the Large Load Integration Request is validated in accordance with Section 44.6.5 of Attachment LL of the ISO OATT; (b) a new Installed Capacity Supplier; and (c) otherwise satisfy the applicable requirements set forth in Section 44.6.4 of Attachment LL of the ISO OATT. *See id.*

[471] A "Co-Located Arrangement" shall be defined as "[a]n agreement between a Co-Located Load and a Co-Located Resource(s) for the purpose of enabling the Co-Located Load to take some amount of Firm Withdrawal Service, consistent with Section 4.1.12 of the ISO Services Tariff and Attachment B of the ISO OATT. The Co-Located Resource(s) and the associated Co-Located Load must be behind the same Point of Interconnection and must jointly submit an attestation in accordance with Section 44.6.3.5 of Attachment LL of the ISO OATT. A Co-Located Arrangement may be between: (1) a Co-Located Load taking solely Firm Withdrawal Service and a Co-Located Resource or (2) a Co-Located Load and Co-Located Resource in a CLLC. The Co-Located Arrangement shall have a required minimum duration of fifteen (15) years, starting the first day of the Obligation Procurement Period for which the UCAP equivalent of ICAP documented in the Large Load Bilateral Transaction is initially certified, in accordance with ISO Services Tariff Sections 5.11.2 and 5.13.1 and ISO Procedures." *See* Services Tariff § 2.3.

[472] A "Partner Resource Arrangement" shall be defined as "[a]n agreement between Partner Resource(s) and a Large Load that are electrically located in the same Capacity Region for the purpose of enabling the Large Load to take Firm Withdrawal Service, consistent with Section 4.1.12 of the ISO Services Tariff and Attachment B of the ISO OATT. The Partner Resource(s) and the Large Load must jointly submit an attestation in accordance with Section 44.6.3.5 of Attachment LL of the ISO OATT. The Partner Resource Arrangement shall have a required minimum duration of fifteen (15) years, starting the first day of the Obligation Procurement Period for which the UCAP equivalent of ICAP documented in the applicable Large Load Bilateral Transaction is initially certified, in accordance with Sections 5.11.2 and 5.13.1 of the ISO Services Tariff and ISO Procedures." *See* Services Tarif § 2.16.

[473] A "Limited Withdrawal Service Load" is a "Large Load taking any amount of Non-Firm Withdrawal Service and/or is a Zero Withdrawal Service Load in a CLLC. A Zero Withdrawal Service Load in a CLGC is not a Limited Withdrawal Service Load." *See* Services Tariff § 2.12

[474] *See* proposed Services Tariff § 4.2.1.9.

Resource(s) or (2) a Partner Resource Arrangement with an Associated Resource(s) in order to be eligible to receive some amount of Firm Withdrawal Service. A Co-Located Arrangement is an agreement between a Co-Located Load[475] and a Co-Located Resource(s)[476] that are connected behind the same Point of Interconnection for the purpose of enabling the Load to take some amount of Firm Withdrawal Service.[477] A Partner Resource Arrangement is an agreement between Partner Resource(s) [478] and a Large Load that are electrically located in the same Capacity Region for the purpose of enabling the Large Load to take Firm Withdrawal Service.[479]

Among other requirements, an Associated Resource must be a new Installed Capacity Supplier.[480] Note that, if an existing Installed Capacity Supplier that has retired, its Capacity Resource Interconnection Service ("CRIS") rights have expired, and chooses to re-enter the ISO Administered Markets by proceeding back through the Standard Interconnection Procedures through which it must obtain new CRIS rights, it shall be considered a new Installed Capacity Supplier[481] that may participate as an Associated Resource, with caveats for Aggregations and Demand Side Resources.[482] These arrangements shall have a required duration of a fifteen (15) year term, as further discussed below in Part IV.F.[483]

Limited Withdrawal Service Loads, whether participating as standalone Non-Firm Withdrawal Service Load or in a co-located configuration or is partially a Zero Withdrawal Service Load, will be required to utilize the NYISO's newly proposed Co-Located and Limited Load Configuration ("CLLC") participation model. A CLLC shall participate in the NYISO-administered Energy markets as a single Resource and must follow the ISO's dispatch

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[475] A "Co-Located Load" shall be defined as "[a] Large Load connected behind the same Point of Interconnection as a Co-Located Resource." *See* Services Tariff § 2.3.

[476] A "Co-Located Resource" shall be "[a] Resource connected behind the same Point of Interconnection as a Co-Located Load." *See* Services Tariff § 2.3. A Co-Located Resource may include an Energy Limited Resource; an Energy Storage Resource; a Generator without a PURPA contract(s); a Hybrid Storage Resource; an Intermittent Power Resource; a Limited Control Run of River Hydro Resource; and a Demand Side Resource that is participating as a standalone Distributed Energy Resource. *See id.* An Aggregation is not a Co-Located Resource. A Co-Located Local Generator is not a Co-Located Resource.

[477] *See* proposed Services Tariff § 4.1.12; proposed OATT Attach. B.

[478] A "Partner Resource" shall be "[a] Resource that has been identified by an Eligible Customer, and confirmed by the Resource developer, to be associated with a Large Load, which is electrically located in the same Capacity Region, that may mitigate some or all of its adverse impacts to resource adequacy and/or transmission security identified in the LLIP set forth in Attachment LL of the ISO OATT and is not connected to the same Point of Interconnection as the Large Load in the applicable Partner Resource Arrangement." *See* Services Tariff § 2.16. Partner Resources may include an Aggregation, or an Energy Limited Resource, Energy Storage Resource, Generator without a PURPA contract(s), Hybrid Storage Resource, Special Case Resource, Intermittent Power Resource, Limited Control Run of River Hydro Resource, System Resource, or a standalone Demand Side Resource. *See id*. Partner Resources must comply with all applicable market rules contained in Section 5.12 of the Services Tariff for their respective Resource type. *See id.* § 5.12.1.

[479] *See* proposed Services Tariff § 4.1.12; proposed OATT Attach. B.

[480] *See supra* note 470.

[481] See Services Tariff § 5.18.6; *see* OATT § 40.2.3.6.

[482] Note, however, that the retired Installed Capacity Supplier would be required to complete the generator interconnection process in order to enter into an Associated Resource arrangement with a Large Load. *See* Part II.G.i.a.

[483] *See* proposed Services Tarif § 4.1.12.

instructions.[484] A CLLC shall be required to submit Energy Bids consistent with the Withdrawal Service(s) being taken by its composite Limited Withdrawal Service Load.[485] Any portion of a Limited Withdrawal Service Load participating in a CLLC that is taking Non-Firm Withdrawal Service shall be subject to a nodal $200/MWh maximum Bid Price, which is the main mechanism by which NYISO will enforce the mandatory curtailment of these Limited Withdrawal Service Loads when doing so is necessary to avoid adverse impacts to resource adequacy and/or transmission security.[486]

The NYISO proposes assessing fees and charges to all Large Loads, regardless of Withdrawal Service classification, on a Gross Load[487] basis, consistent with the Commission's preliminary finding that the NYISO's Tariff may be "unjust and unreasonable because it allows load with behind the meter generation to net its behind the meter generation against its load for purposes of calculating Transmission Service Charges"[488] and expressed concern that the NYISO's Tariff does not appear to include a "mechanism by which an Eligible Customer [] would be charged for ancillary services commensurate with its usage of such services, particularly if such customer did not withdraw energy from the transmission system."[489] In addition, a System Reliability Benefit Fee shall be assessed to the LSE taking service on behalf of a Large Load associated with the MW of (1) the portion of a Limited Withdrawal Service Load(s) that is not taking Firm Withdrawal Service and/or (2) a Co-Located Local Load(s). Lastly, the NYISO proposes revisions to the settlement rules to ensure that Large Loads are assessed the appropriate charges and fees in a manner that is at least roughly commensurate with the benefits that entity receives and to incorporate the new Gross Load basis construct in accordance with the cost causation principle.[490]

Finally, the NYISO proposes to include Associated Resources that have satisfied the applicable Partner Resource Arrangement or Co-Located Arrangement requirements under the definition of "Excluded Facilities" with respect to conduct warranting mitigation and thus, such Associated Resources would be excluded from examination under the NYISO's buyer-side capacity market power mitigation measures as discussed below in Part IV.J and in the Newton Affidavit.[491]

B. Market Rules Applicable to Full Withdrawal Service and Limited Withdrawal Service Loads

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[484] *See* Services Tariff § 2.3.

[485] *See* proposed Services Tariff § 4.2.1.9.1; s*ee also id.* §§ 4.4.1.1, 4.4.1.2, 4.4.2.1.

[486] *See* proposed Services Tariff § 21.4.7.

[487] "Gross Load" shall be defined at the actual Energy consumption value of a Large Load. *See* proposed revision to Services Tariff Section 2.7. Gross Load shall be measured by separate and direct real-time telemetry and a revenue quality real-time meter at the Load, not the Point of Interconnection and irrespective of whether or not this consumption was met by withdrawals at the Point of Interconnection, consistent with Section 13 of the ISO Services Tariff. *See id.*

[488] Show Cause Order at P 110.

[489] *Id*. at P 106.

[490] *See* proposed revisions to Services Tariff § 7.4.

[491] *See* proposed revision to Services Tariff § 23.2.1; *see also* Jonathan Newton Affidavit.

i. Firm Withdrawal Service Loads

Large Loads that are eligible to receive Firm Withdrawal Service for their full amount of Load are fully represented in the Load forecasts that inform the IRM, LCRs, and ultimately ICAP auction outcomes, and submit traditional Load bids according to existing Load bidding rules, may register as Demand Side Resources (with limitations), and are not eligible to participate in the NYISO's proposed CLLC model.

As discussed in the attached affidavit of Zachary T. Smith, the NYISO's Director of Market Solutions ("Smith Affidavit"), it is reasonable for Large Loads or the portions thereof that are receiving Firm Withdrawal Service to be included in the load forecast for the IRM and LCRs.[492] This inclusion is the foundation of the NYISO's obligation to provide Firm Withdrawal Service continuously and regardless of price, consistent with the way that firm transmission service is provided to existing load resources in the NYISO today.

It is also reasonable for Full Withdrawal Service Large Loads to engage with the markets using the NYISO's established Load bidding rules. The Large Load's LSE may submit Fixed or Price Capped Load bids in the Day-Ahead Market on the Large Load's behalf or voluntarily choose to be served in real-time at the Real-Time LBMP.

The NYISO is proposing to settle Large Loads with Firm Withdrawal Service for Energy in substantially the same manner as existing Loads receiving firm transmission service are settled for Energy today.

ii. Limited Withdrawal Service Loads

"Limited Withdrawal Service Loads" are Large Loads that are taking some amount of Non-Firm Withdrawal Service and/or are, in part or in full, a Zero Withdrawal Service Load. This includes Large Loads that are taking, in part but not in full, some amount of Firm Withdrawal Service. Limited Withdrawal Service Loads are: (i) completely or partially excluded from the Load forecasts used to establish the IRM and LCRs; (ii) therefore subject to some amount of the System Reliability Benefits Fee; (iii) submit (negative) Energy withdrawal bids to consume Energy from the grid or, when co-located with supply, a single net Energy bid; (iv) are ineligible to register as Demand Side Resources; and (v) are required to participate in the proposed CLLC participation model. The CLLC participation model is a single unified result that can simultaneously support both the standalone and co-located participation of Limited Withdrawal Service Loads. Though the CLLC ruleset is singular, there are specific stipulations for Zero Withdrawal Service Load and NFWS Load contained therein. To the extent that a Limited Withdrawal Service Load is also a Co-Located Local Load, it will be modeled as belonging to a Co-Located Local Generator Configuration ("CLGC") that neither withdraws from nor injects onto the system.

a) <u>Exclusion of Limited Withdrawal Service Large Loads from Capacity Forecasts and Capacity Markets</u>

[492] Zachary T. Smith Affidavit at P 16 ("Smith Affidavit").

Large Loads taking Non-Firm Withdrawal Service will be excluded from the Load Forecasts used in establishing the Installed Reserve Margin and Locational Minimum Installed Capacity Requirement.[493] Accordingly, the NYISO will not be obligated to serve Large Loads taking Non-Firm Withdrawal Service during peak hours, and such Large Loads will have no right to consume Energy during times of peak demand. Unlike Firm Withdrawal Service, Large Loads taking Non-Firm Withdrawal Service will not be eligible to participate in NYISO Demand Side Resource programs.[494]

It is appropriate to exclude Large Loads or the portion thereof that are receiving Non-Firm Withdrawal Service or are ZWS Load from capacity-related Load Forecasts because they do not contribute to their LSEs' minimum ICAP market obligations, and their demand does not clear in the ICAP market auctions. No entity will procure ICAP on behalf of these aforementioned types of Load through the ICAP market auctions, or through other means, like a Capacity market bilateral. As a result, these Large Loads are excluded from traditional ICAP charges. However, these Large Loads still benefit from the stability provided by Capacity Resources in hours in which the Large Load is eligible to withdraw Energy from the transmission system, despite these Large Loads having not cleared in the ICAP market auction. Therefore, the NYISO will require Large Loads or the portions thereof that are taking Non-Firm Withdrawal Service or are ZWS Load to pay a System Reliability Benefit Fee as discussed below in Part IV.B.ii.g. These requirements help to protect customers by incentivizing these Large Loads to voluntarily take the measures necessary to obtain Full Withdrawal Rights.

Because Large Loads receiving Non-Firm Withdrawal Service are non-firm customers, it is appropriate that the NYISO is not obliged to redispatch to continue service to them until the curtailment threshold described in Part IV.B.ii.b below is reached. It is likewise reasonable that such Large Loads have no right to consume Energy during such times.

b) <u>The Non-Firm Bid Cap and Out-of-Merit Requirements for Limited Withdrawal Service Loads</u>

The NYISO proposes to add new language to Section 21 (Attachment F) of the Services Tariff which governs bidding restrictions. Proposed new Section 21.4.7, "Large Loads Participating in a CLLC" would establish that "[t]he portion of a Large Load participating in a CLLC that is taking Non-Firm Withdrawal Service shall be subject to a $200/MWh maximum Bid Price . . . ." The proposed tariff provision notes that this "is the mechanism by which these Large Loads are interruptible/curtailed to avoid adverse impacts to the grid." By contrast, Large Loads with Firm Withdrawal Service will not be subject to the proposed bid cap. They will be curtailed on the same basis and with the same priority as firm transmission service loads that exist in the NYISO today, i.e., only for reliability emergencies per NYISO's existing emergency procedures.

The NYISO is also proposing to include language in new OATT Section 3A.1.2 to establish that Large Loads taking Non-Firm Withdrawal Service "shall timely respond to ISO or

[493] Proposed Services Tariff § 5.11.1.
[494] Proposed OATT § 3A.1.2.

Transmission Owner Out-of-Merit instructions, including instructions to reduce withdrawals or disconnect when necessary to maintain system reliability, consistent with ISO Procedures."

Explanation of the NYISO's Proposal

NYISO currently uses Constraint Specific Shortage Pricing ("CSSP") to represent the price impact that transmission shortages have on LBMPs. The CSSP is supported by a six-step Transmission Demand Curve representing transmission shortage prices that increase in tandem with further utilization of a transmission facility's Constraint Reliability Margin ("CRM"). The CRM is a portion of transmission facility transmission capacity that the NYISO has reserved between a predetermined market limit and the facility's hard limit, i.e. its line rating, which serves to insulate the NYCA transmission system from severe overload risk by allowing transmission scarcity to be reflected in market prices. In times of severe transmission scarcity, i.e. when a transmission facility reaches 100% CRM utilization, flows across a transmission facility will near or meet the facility's line rating and the facility's Transmission Demand Curve will produce a transmission constraint price of $4,000/MWh.

The NERC Transmission Loading Relief ("TLR") process is used to filter/sort external transactions for curtailment, based on a transaction's ability to affect flows across a given flowgate. This process uses an individual transaction quantity-share de minimis threshold of 5% when determining whether the curtailment of an individual transaction will materially impact flows across a given flowgate. The NYISO applied similar materiality logic to the CSSP construct, specifically to the Transmission Demand Curve, in determining the $200/MWh bid price cap for NFWS Loads.

The NYISO will use the 5% materiality threshold used in the NERC TLR process in determining which NFWS Loads have material impact on flows across a binding transmission constraint, i.e. an NFWS Load that has a minimum Shift Factor of 5% on a transmission constraint will be considered to have material impact on flows across that constraint. As discussed, when the Transmission Demand Curve binds at 100% CRM utilization, it produces a price of $4,000/MWh on the associated transmission constraint. NYISO believes this is the point at which it becomes most appropriate to ensure NFWS Loads that exacerbate this constraint are curtailed. An NFWS Load whose Shift Factor meets the 5% materiality threshold described above would, except in rare cases, receive a nodal price of $200/MWh when the correlated transmission constraint produces a $4,000/MWh price. By aligning the NFWS Load bid cap with this $200/MWh nodal LBMP, NYISO ensures that NFWS Loads that meet the 5% materiality threshold are curtailed automatically by the market optimization when the CRM of a relevant transmission facility is fully utilized, preventing the Large Load from exacerbating the constraint further and avoiding manual intervention by NYISO Grid Operators.

The proposed bid cap ensures that Non-Firm Withdrawal Service Large Loads will be curtailed in advance of significant transmission security or resource adequacy shortage events. It also increases the probability that Non-Firm Withdrawal Service Loads that most aggravate a given transmission constraint, i.e. those with higher Shift Factors on a given constraint, will be curtailed in advance of those that do not. This results in a natural precipitation of NFWS Load curtailment priority that is grounded directly in reliability and automated by NYISO's

optimization. It will benefit customers by helping to prevent Large Loads from driving up LBMPs and will also help to reduce the likelihood of reliability issues.

Some stakeholders have suggested that a single $200/MWh bid cap would be insufficiently flexible and could be too low of a dollar figure especially in times of high winter fuel costs. However as the Smith Affidavit explains, it will not be feasible for the NYISO to adopt fuel indexing for the bid cap, or for other potentially relevant market parameters, in the near-term, especially in the expedited timeframe that the Commission has allowed for responses to the Show Cause Order.[495] Additionally, during the course of the stakeholder sessions, the argument has also been made that the $200/MWh Bid cap may be set below the non-firm Large Load's true cost of curtailment and therefore could lead to inefficient pricing signals. However, this is not a persuasive reason to opt for a different non-firm Bid price cap level for several reasons, including the fact that the Large Load has voluntarily elected non-firm service, which is a lower level of service compared to firm service.

Use of a bid cap to effectuate the necessary curtailment of non-firm service is an effective, fair, and efficient implementing mechanism. Moreover, the claim, that the threshold may be set below the non-firm Load's true cost of curtailment could be true of all bid cap levels, including alternative bid caps of $1000/MWh or $2000/MWh. It is possible that many Limited Withdrawal Service Loads would be willing to consume above the $200/MWh threshold. However, allowing Large Loads to offer in at any level under an alternative Bid cap of $1000/MWh or $2000/MWh would lead to distorted outcomes and market signals. First, any curtailments that the NYISO would need to effectuate in order to properly ensure reliability would be required to be handled outside the market software, in an "ad hoc" manner, and could result in there being schedules that are inconsistent with prices. Second, it is possible that many of these non-firm loads would remain willing to consume above even $2000/MWh As such, the NYISO contends that the $200/MWh Bid Cap proposal is necessary to protect reliability, and is just and reasonable.

In order to effectuate this price cap, and to ensure that Large Loads taking NFWS are responding to the $200/MWh nodal LBMP curtailment threshold in Real-Time as mandated by the terms of their Withdrawal Service, NYISO proposes to model these Loads as negative generation, akin to the way it models the Energy Withdrawal portion of an Energy Storage Resource ("ESR"). This modeling approach extends to all types of Limited Withdrawal Service Loads, i.e. all Loads that participate using the CLLC participation model. This means that, like a Generator, the Market Participant representing a Limited Withdrawal Service Load will need to submit an 11-point incremental Energy Withdrawal bid to the NYISO's market optimization in each interval in which the Load seeks to consume Energy from the grid. Like an ESR that submits an Energy Withdrawal Bid, the Large Load's bids will be evaluated by the optimization, and the Load will subsequently be dispatched for discrete amounts of Energy Withdrawals according to the economics of their bids and the physical characteristics of the Load. The Market Participant may, but is not required to, specify multiple $/MWh price points in its Energy Withdrawal Bid that represent the NFWS Load's willingness to pay for Energy at different price

[495] *See* Smith Affidavit at P 25.

points below the $200/MWh NFWS nodal LBMP bid cap. Doing so effectively expands the price sensitivity of the NFWS Load.

The Smith Affidavit emphasizes that the NYISO's proposed rules and requirements for Non-Firm Withdrawal Service Large Loads reflect a "a reasonable, market-based approach that is consistent with the NYISO's broader market design proposal and existing rules and frameworks."[496] The newly proposed Non-Firm Withdrawal Service should be found to be just and reasonable, as it provides Large Loads with an option to connect to the grid faster and without the potential delays required to mitigate adverse impacts to resource adequacy and/or transmission security.

The Harvey Affidavit provides additional support for the market design, operational, and reliability advantages of the curtailment proposal.[497] Dr. Harvey explains that the NYISO's proposal functions very similarly to the Commission-approved Southwest Power Pool ("SPP") non-firm service curtailment rules and also appears to be consistent with proposals made in the PJM Co-Location Order proceedings.[498] At the same time, the NYISO's proposal is "more concrete and amenable to modeling in unit commitment and interchange scheduling software, as well as real-time dispatch software than the general hierarchy of load shedding articulated by PJM or the general criteria in the SPP tariff."[499] In addition, "the NYISO price-based curtailment threshold is also forward looking and could identify the need to reduce non-firm load not just immediately before shedding of firm load is necessary, but identify the need to reduce non-firm load in order to help assure that shedding of firm load will not become necessary in future hours because of the impact of meeting that non-firm load on gas availability or battery state of charge."[500]

Dr. Harvey also contends that the NYISO's proposed use of a price based curtailment trigger would provide greater transparency to Large Loads served via Non-Firm Withdrawal Service[501] and be more consistent with the overall evolution of organized markets away from reliance on operator judgment and towards the use of sophisticated modeling tools.[502] He maintains that relying on a price-based curtailment rule will reinforce reliability, help to maximize the utilization of the transmission system, and be practically administrable by the NYISO.

Moreover, Dr. Harvey supports the NYISO's selection of a $200/MWh bid price cap level as "reasonable and appropriate from a number of perspectives" including market pricing considerations, compatibility with market initiatives that the NYISO may pursue in the future, and suitability for the evolving resource mix.[503]

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[496] Smith Affidavit at P 24.
[497] *See* Harvey Affidavit at Section III.
[498] *Id.* at PP 53-57.
[499] *Id.* at P 56.
[500] *Id.*
[501] *Id*. at P 58.
[502] *Id*. at P 59.
[503] *Id*. at PP 63-70.

The Curtailment Proposal Is Commission-Jurisdictional

The NYISO is mindful that there questions may be raised regarding the jurisdictional status of its curtailment proposal. In particular, the Commission recently rejected substantial portions of PJM's proposal to introduce an "Interim Resource Adequacy Service" ("IRAS") and Bring Your Own New Capacity framework in its region.[504] PJM defined IRAS as "a load reduction service through which New Large Loads reduce load as directed by the applicable Electric Distributor[.]"[505] Among other determinations, the Commission found that PJM's proposed tariff language appeared to be setting a retail rate because it would have established a "compensation rate for IRAS payable to the Eligible New Large Load."[506] Notably, the Commission stated that "a non-firm transmission service similar to Non-Firm Contract Demand transmission service, with appropriate adjustments, might be considered as a potential avenue to achieve some of the aims of PJM's proposed IRAS framework."[507]

By contrast, the NYISO neither proposes to mandate any load reduction service of the kind presented IRAS or otherwise, nor proposes any form of compensation for such a service. Rather, the NYISO is proposing to provide Transmission Customers taking service on behalf of Large Loads and Large Loads acting as their own LSEs with a new Commission-jurisdictional non-firm transmission service option with attributes similar to Non-Firm Contract Demand service, with appropriate adjustments,[508] which aligns with the Commission's guidance set forth in the IRAS Order.

Unlike PJM under IRAS, the NYISO would not curtail NITS, or any other form of firm transmission service, to similarly situated firm loads. Instead, the NYISO is proposing a new category of service to differently situated loads (i.e., loads voluntarily choosing to be served via Non-Firm Withdrawal Service instead of Firm Withdrawal Service.) The possibility of curtailment is a necessary component of Non-Firm Withdrawal Service because it ensures the reliability of the NYISO's wholesale markets and transmission system during elevated demand conditions.[509] A Large Load receiving Non-Firm Withdrawal Service will have been studied and found to have adverse impacts resource adequacy impacts that it has chosen not to mitigate. The NYISO would not simply be relegating the Large Load to inferior service based on characteristics that touch on retail jurisdictional domains.

Additionally, a CLLC is not entitled to compensation when it is curtailed under Non-Firm Withdrawal Service. Mandatory curtailment of Limited Withdrawal Service Loads when capacity exceeds the nodal $200/MWh price threshold is required to avoid adverse impacts to resource adequacy and/or transmission security. The NYISO's proposed bid cap is a condition to

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[504] *PJM Interconnection, L.L.C.,* 197 FERC ¶ 61,019 (2026) ("PJM IRAS Order").

[505] *Id.* at P 81.

[506] *Id.* at P 82.

[507] *Id.* at P 111.

[508] As is discussed in Part V, below, the NYISO is not proposing to adopt the Non-Firm Contract Demand Service in the form specified in the PJM Co-Location Order.

[509] *Cf. id.* P 91 ("Data Center Coalition and Vistra also argue that PJM misread the SPP CHILLS precedent, which they argue supports offering different services to differently situated loads but not reducing NITS for Electric Distributors serving materially identical loads.")

the receipt of Commission-jurisdictional non-firm transmission service and is a wholesale market design mechanism that exists in the wholesale energy space. The proposed NYISO tariff obligation runs to the CLLC (or a Transmission Customer taking service on its behalf) as a wholesale market participant, the wholesale market dictates whether the Large Load will be curtailed, and the NYISO does not impose any charge on a retail customer. The NYISO's proposal falls within the bounds of the Commission's jurisdiction. And the NYISO's proposal does not impermissibly intrude on state authority [510]

The NYISO's curtailment proposal is much closer to SPP's Conditional High Impact Large Load Service ("CHILLS"), which the Commission accepted earlier this year,[511] than it is to IRAS. SPP proposed CHILLS as a new, non-firm transmission service that would enable high impact large loads to take transmission service prior to having the sufficient designated resources or network upgrades in place that are required for long-term, firm service.[512] CHILLS is subject to curtailment and interruption on a non-discriminatory basis when the transmission system is constrained.[513] CHILLS has equal curtailment priority to SPP's monthly non-firm point-to-point transmission service.[514] As noted in Part V, the NYISO does not currently offer any form of non-firm transmission service but Non-Firm Withdrawal Service, like CHILLS and *pro forma* OATT non-firm service, would be curtailed before firm transmission service in NYISO.

The NYISO's proposal shares many features that the Commission found significant in accepting CHILLS. As with CHILLS, the NYISO's Non-Firm Withdrawal Service is a new non-firm service and curtailment is an integral part of that service priority level. The curtailment obligation also is implemented through an objective standard that would be part of the NYISO's Commission-jurisdictional wholesale market framework as opposed to curtailment via a discretionary directive to a retail customer. There is also no retail compensation mechanism for curtailment. The CHILLS Order is thus precedent for the NYISO's Non-Firm Withdrawal Service curtailment rule being subject to the Commission's jurisdiction.

Finally, as the NYISO noted with respect to the State Exempt Large Load Project proposal, courts have found that the intent underlying a regulatory requirement is an important part of drawing jurisdictional lines under the FPA's cooperative federalism framework. Here again, the NYISO has no intention of interfering with or intruding into New York State jurisdiction. The NYISO is instead adapting well-established Commission-jurisdictional rules allowing transmission providers to curtail Commission-jurisdictional non-firm services to fit the NYISO's Large Load market participation model.

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[510] *See Tri-State Generation & Transmission Ass'n*, 196 FERC ¶ 61,127, at PP 66–68 (2026) (finding that Tri-State's proposal did not intrude upon retail rate regulation where, among other things, it did not establish terms or conditions of retail service).

[511] *See Sw. Power Pool, Inc.*, 195 FERC ¶ 61,196 (2026) ("SPP CHILLS Order"). The Commission found that SPP demonstrated that the terms and conditions for its proposed CHILLS are just and reasonable, specifically noting that the terms and conditions were "substantially similar to those of existing transmission services" and that the differences from those existing transmission services were "narrowly tailored to reflect" the nature and characteristics of the CHILLS. *Id*. at P 84.

[512] *Id.* PP 6–7.

[513] *Id.* P 10.

[514] *Id.* P 86.

c) Excluding Limited Withdrawal Service Loads from Participation as Demand Side Resources

The NYISO is proposing to exclude Limited Withdrawal Service Loads, i.e., Loads that are not fully served via Firm Withdrawal Service, from participation in the ISO Administered Markets as a Demand Side Resource (e.g., Special Case Resource ("SCR"), Emergency Demand Response Program ("EDRP"), Distributed Energy Resource ("DER") and Aggregations).[515] It is reasonable to make Large Loads taking NFWS ineligible to receive compensation for demand reductions because Large Loads taking this service have voluntarily elected to take a lower level of transmission service in order to either avoid paying for Network Upgrades or to avoid bringing new ICAP supply to market to mitigate any resource adequacy and/or transmission security impacts they may cause, as determined in the LLIP. Non-Firm Withdrawal Service Large Loads, by definition, are not entitled to consume Energy from the system at any time. Accordingly, NFWS Large Loads are not in a position to voluntarily reduce their consumption of Energy from the grid at all, let alone do so during the specific hours in which there would be a net benefit to the system and/or other customers by virtue of their voluntary demand reduction.[516]

It follows that Large Loads taking NFWS are excluded from the Load forecasts that inform the Installed Reserve Margin ("IRM") and Locational Minimum Installed Capacity Requirements ("LCRs"), do not create an ICAP obligation for their LSE and therefore Capacity Resources are not procured on their behalf through the ICAP auctions. Large Loads with NFWS are not similarly situated to those with Firm Withdrawal Service.

When a Large Load with Firm Withdrawal Service voluntarily registers to participate in the ISO Administered Markets as a Demand Side Resource, it is agreeing to forego its Firm Withdrawal Service Rights, i.e. agreeing to voluntarily curtail its Load, in exchange for payment when the requisite net benefit threshold is met. This payment is justified because the absence of a Large Load making its typical withdrawals from the system via its Firm Withdrawal Service during peak hours reduces NYISO's net on-peak Capacity obligations and when the net benefits test is met and hence, the overall benefit of the reduced LBMP that results from dispatching such FWS Large Loads to reduce their consumption exceeds the cost of dispatching the more expensive generation resources.[517] In other words, by qualifying as an ICAP Supplier and offering ICAP at auction, a Firm Withdrawal Service Load is reducing the net impact that its Load has on the outcomes of the ICAP market auctions, and reduces its LSE's net ICAP obligations as a result.

In sum, Large Loads with Firm Withdrawal Service may elect to participate as a Demand Side Resource in the NYISO markets and thus receive compensation for voluntary demand reductions during hours in which there is a net benefit to other customers and the system for

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[515] *See, e.g.*, proposed Services Tariff § 2.4.

[516] *See Demand Response Compensation in Organized Wholesale Energy Markets*, Order No. 745, 76 Fed. Reg. 16,658 (Mar. 24, 2011), FERC Stats. & Regs. ¶ 31,322 (2011) ("Order 745"). "Rather than requiring compensation at LMP in all hours, the Commission requires the use of the net benefits test described herein to ensure that the overall benefit of the reduced LMP that *results from dispatching demand response* resources *exceeds* the *cost of dispatching those resources*." *Id*. at P 150 (emphasis added).

[517] *See* Order 745 at P 150.

them to do so. Whereas Large Loads with Non-Firm Withdrawal Service have elected to receive a lower level of transmission service and are not entitled to withdraw, or refrain from withdrawing, in exchange for demand reduction compensation. This justification extends to ZWS Loads as well, which are Large Loads that lack any right to withdraw from the system, or voluntarily refrain from withdrawing, altogether. Non-firm Large Loads are far from being similarly situated to Large Loads with Firm service.

d) Market Participation Provisions Applicable to Limited Withdrawal Service Loads that Receive "Partial" Firm Withdrawal Service

As previously stated, Large Loads taking some amount of Firm Withdrawal Service along with some amount of Non-Firm Withdrawal Service and/or that are partially Zero Withdrawal Service Loads, will be classified as Limited Withdrawal Service Load and must participate under the CLLC participation model. Like with other CLLCs, these "partial" Firm Withdrawal Service Large Loads will still be required to submit Energy Bids in the Day-Ahead Market whenever they seek to withdraw from the grid and will need to be dispatchable. It will be possible for Market Participants to "preserve" their Firm Withdrawal rights when participating under the CLLC participation model through the structuring of their bids, such that CLLC scheduling outcomes honor the Large Load's right to in part consume Energy from the grid regardless of price.[518]

e) Market Rules Applicable to Zero Withdrawal Service Loads ("ZWSL")

The NYISO is proposing to add new language to the Services Tariff to address the treatment of ZWSLs. The introduction of a defined ZWSL voluntary option and related market rules is responsive to the Show Cause Order's observation that the NYISO's tariffs did "not appear to include a mechanism by which an Eligible Customer, on behalf of Eligible Load, would be charged for ancillary services commensurate with its usage of such services, particularly if such customer did not withdraw energy from the transmission system."[519] The ZWSL proposal is also compatible and practically implementable within the framework of the NYISO's market design and financial reservation transmission model.

The new ZWSL designation applies to a Large Load or portion thereof that is not permitted to physically withdraw Energy from the NYS Transmission System or has requested not to withdraw Energy from the NYS Transmission System and is served exclusively by a Co-Located Resource(s) or Co-Located Local Generator. The ZWSL designation is only relevant to co-located configurations, i.e., Large Load that cannot be served by front-of-the-meter generation or that a Market Participant has requested not be served by front-of-the-meter generation. ZWSL are not studied for and do not receive eligibility to receive any Withdrawal Services through the LLIP, i.e., do not have a right to withdraw from the grid to serve their Load.

ZWSL status is similar to the BTM:NG Host Load concept under NYISO's existing design, in that ZWSL is Load that exists behind-the-meter and is served exclusively by behind-

[518] *See* Smith Affidavit at P 68.
[519] Show Cause Order at P 106.

the-meter generation, which may or may not offer excess generator capability to the system via participation in the CLLC participation model. BTM:NG Host Loads effectively function and participate in the NYISO markets under this construct today.

Co-Located Local Generators are providing service behind the meter to ZWSL and are not requesting, or permitted to inject any Energy onto the system. They are therefore not required to obtain Energy Resource Interconnection Service ("ERIS") or CRIS. These Co-Located Local Generators may still request ERIS and/or CRIS rights if they are able and willing to offer excess operating capacity supply into the market that is not needed to support the ZWSL.

A Large Load that is a full ZWSL that is supplied solely by a co-located Generator(s) that lacks ERIS/CRIS and exists solely to serve the Zero Withdrawal Service Load are respectively referred to as a Co-Located Local Load and a Co-Located Local Generator. If the resulting co-located configuration is interconnected and synchronized to the NYS Transmission System, the configuration will be classified as a Co-Located Local Generator Configuration ("CLGC"). Such a configuration does not interface with the NYISO markets but, consistent with the general rule for ZWSL, would be subject to the Gross Load cost allocation methodology described in Part IV.B.ii.f and to the System Reliability Benefit Fee described in Part IV.B.ii.g.

The ZWSL option may be attractive if it aligns with potential market participant's business objectives or use cases, e.g., if the value of a faster development timeline makes it worthwhile for a Large Load to elect to take this option.[520] For example, if a Co-Located Facility's Point of Withdrawal is undersized relative to the amount of Load that is seeking to interconnect behind-the-meter, some or all of that Load may choose to classify as ZWSL and be served exclusively by behind-the-meter generation.

ZWS Load is subject to the Gross Load cost allocation methodology described in Part IV.B.ii.f as it is, by definition, interconnected and synchronized to the NYS Transmission System and therefore benefits from the stability provided by Ancillary and Transmission Services. ZWS Load is additionally subject to the SRBF discussed in Part IV.B.ii.g. This is consistent with the Show Cause Order's expressed concern that the NYISO's Tariff does not appear to include a "mechanism by which an Eligible Customer [] would be charged for ancillary services commensurate with its usage of such services, particularly if such customer did not withdraw energy from the transmission system."[521]

As such, the NYISO's proposal to provide a participation framework for Zero Withdrawal Service Loads appropriately accommodates the unique operating characteristics of this type of Large Load and is just and reasonable.

f) Allocating Costs to Large Loads on a Gross Load Basis

The Show Cause Order preliminarily found that the NYISO's tariff appears to be unjust and unreasonable because it does not address whether or how Eligible Customers taking transmission services on behalf of Eligible Loads will be charged for their use of regulation and

[520] Smith Affidavit at P 40.
[521] Show Cause Order at PP 106-107.

black start services, creating a risk that Eligible Load may benefit from these services without contributing to cost recovery for such services.[522] In response to the Commission's concern, and to ensure that Eligible Customers taking transmission service on behalf of Eligible Load pay for wholesale transmission services that they receive, consistent with the cost causation principle,[523] the NYISO proposes to assess fees and charges to all Large Loads on a gross Load basis.[524] This treatment will include, but is not limited to, assessment on a Gross Load Basis of Operating Reserves Charges, Black Start Charges, Voltage Support Service Charges, and Regulation Service Charges.[525] The NYISO would implement this change via proposed amendments to OATT Sections 6.2, 6.3, and 6.5.

Applying these charges to all Large Loads on a Gross Load basis, regardless of Withdrawal Rights, rather than on a Net Load basis, will help to prevent unreasonable cost shifting to existing Loads and thus to protect customers.

g) The System Reliability Benefit Fee

The NYISO proposes to assess a System Reliability Benefit Fee ("SRBF") under new OATT Section 6.24. The SRBF would be "assessed to an LSE associated with the MW of (a) the portion of a Limited Withdrawal Service Load(s) that is not taking Firm Withdrawal Service and/or (b) a Co-Located Local Load(s) that is not included in the applicable LSE's portion of Unforced Capacity Obligation the NYCA Minimum Unforced Capacity Requirement, in accordance with Section 5.11.1 of the Services Tariff."

The purpose of the SRBF is to allocate ICAP market costs Limited Withdrawal Service Loads, or portions thereof, not taking Firm Withdrawal Service in an amount roughly commensurate to the benefits they receive from ICAP Resources and the value of the reliability service that they provide during periods of low demand. The SRBF will serve as a cost allocator for these Large Loads, which will benefit from reliable service despite not being required to pay ICAP market costs.

As discussed in the Smith Affidavit,[526] the SRBF will be assessed to the LSE taking service on behalf of a Limited Withdrawal Large Service Load.[527] It is not a volumetric charge based on actual Large Load energy withdrawals, Instead, it will be based on the amount of Non-Firm Withdrawal Service or Zero Withdrawal Service MW studied and authorized through the LLIP. By tying the SRBF to authorized MW rather than actual MWh, the NYISO will charge these Large Loads for the reliability benefits they receive from the NYISO capacity market. Without the SRBF, these Large Loads would benefit from stable and reliable system operations without contributing correspondingly to the costs incurred to maintain those operations. The

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[522] *Id.* at P 107.

[523] *Id.* at P 103.

[524] The fact that the NYISO is proposing to adopt a gross load basis assessment under FPA section 205 should not be construed as a concession that the NYISO's existing tariffs are unjust, unreasonable, or unduly discriminatory or preferential

[525] *See* Proposed OATT §§ 6.2, 6.3, and 6.5.

[526] *See* Smith Affidavit at PP 46-51.

[527] Proposed OATT § 6.24.

SRBF will also create an incentive for Large Loads taking any amount of Non-Firm Withdrawal Service or Zero Withdrawal Service to acquire full Firm Withdrawal Service rights.

Under OATT Section 6.24, the SRBF will be calculated as follows.

$SRBF_{Cm}$ = (NFWS $Load_{Cm}$ + ZWS $Load_{Cm}$) * ((NYCA IRM_m) * (NYCA Capacity Translation $Factor_m$)) + NYCA excess $\%_m$) * Spot Market Auction Clearing $Price_{Cm}$

Where:

$SRBF_{Cm}$ = the System Reliability Benefit Fee assessed to the LSE responsible for the kW associated with the portion of Limited Withdrawal Service Load C that is not taking Firm Withdrawal Service or Co-Located Local Load C for month m;

$NFWS\ Load_{Cm}$ = the amount of kW associated with the portion of a Limited Withdrawal Service Load or Co-Located Local Load C taking Non-Firm Withdrawal Service supplied by the LSE for month m;

$ZWS\ Load_{Cm}$ = the amount of kW associated with the portion of a Limited Withdrawal Service Load or Co-Located Local Load C classified as a Zero Withdrawal Service Load for month m;

$NYCA\ IRM_m$ = the NYCA Installed Reserve Margin or the NYCA Winter Installed Reserve Margin that is in effect for the NYCA for month m;

NYCA Capacity Translation $Factor_m$ = the ratio of (i) NYCA Minimum Unforced Capacity Requirement for month m; and (ii) NYCA Minimum Installed Capacity Requirements in effect for month m;

NYCA excess $\%_m$ = the ratio of (i) the additional UCAP procured in excess of the NYCA Minimum Unforced Capacity Requirement as reported in the ICAP Spot Market Auction results for NYCA for month m; and (ii) NYCA Minimum Unforced Capacity Requirement as reported in the ICAP Spot Market Auction results for NYCA for month m;

Spot Market Auction Clearing $Price_{Cm}$ = the applicable ICAP Spot Market Auction Clearing Price for month m for the Capacity Region in which that Limited Withdrawal Service Load or Co-Located Local Load C is electrically located.

Assessing the SRBF on these Large Loads will generate residual rents because these Loads do not clear in the ICAP auction and the charges collected from them are not allocated through any existing process. The NYISO is proposing a new allocation methodology that will assign these residuals to such LSEs based on LSEs' share of the total NYCA-wide ICAP

obligation.[528] This methodology will mitigate LSEs' Capacity costs as well as, potentially, costs to customers.

The SRBF proposal is responsive to the Show Cause Order's preliminary finding that the NYISO's Tariff appears to be unjust and unreasonable because it "lacks adequate mechanisms to mitigate the risk of cost shifting among transmission customers, which may result in unjust and unreasonable rates for transmission service."[529]

C. Proposed Large Load Operating Requirements

The NYISO proposes to revise Sections 3.5.2 and 13 of the Services Tariff to require Transmission Customers taking service on behalf of Large Loads to submit the following information to the NYISO: (i) six-second Real-Time telemetry; (ii) hourly revenue-grade meter data; (iii) Day-Ahead and hourly real-time load forecasts; (iv) PMU data and Phase 1 metering, as applicable; (v) separate and direct metering of Load at co-located facilities; and (vi) other information and data in accordance with ISO Procedures. Transmission Customers will also be required to submit all data, telemetry, operating information, and control documentation for Large Loads on a facility-specific basis.[530] These requirements ensure that the NYISO has necessary operational visibility into and control over Large Loads, which will result in more accurate and reliable market solutions and operator decisions. Having clear operational requirements in place also protects customer interests by minimizing the need for costly out-of-market actions to account for changes in Large Load behavior.

As discussed in the Smith Affidavit, the NYISO's proposal will expressly preserve Connecting Transmission Owners' ("CTOs") authority to remotely disconnect Large Loads when necessary to maintain reliability of the transmission system.[531] It would also allow the NYISO to request that a CTO remotely disconnect a Large Load for reliability reasons. In addition, the NYISO and/or CTO may request disconnection of a CLLC or a CLGC to avoid impermissible injections and/or withdrawals. These actions are expected to be consistent with existing operating and communication procedures that exist today with transmission owners. [532]

This proposal is responsive to the Show Cause Order's directive that the NYISO's Tariff should include provisions addressing ongoing operational requirements for transmission customers taking transmission service on behalf of large load.[533] The Commission specifically highlighted the absence of provisions requiring transmission customers to provide the NYISO hourly forecasts, telemetry data, and other data necessary to ensure sufficient visibility, as well as requirements for maintaining communication channels between the NYISO and the Transmission Customers on behalf of the large load.[534]

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[528] *See* proposed Services Tariff § 6.24 ("Residuals created by the System Reliability Benefit Fee shall be allocated to LSEs based on their share of the applicable NYCA Minimum Unforced Capacity Requirement.").

[529] Show Cause Order at P 72.

[530] *See* Proposed Services Tariff Section 3.5.2.

[531] Smith Affidavit at P 52.

[532] Smith Affidavit at P 52.

[533] Show Cause Order at P 70.

[534] *Id.*

D. Additional CLLC Rules

i. Overview and Eligibility

As noted above, the NYISO is proposing to establish and describe a new market participation model in the Services Tariff for Co-Located Arrangements[535]—the Co-Located and Limited Load Configuration ("CLLC") framework.

ii. CLLC-Specific Definitions

The NYISO proposes several definitions related to co-location. In particular, the NYISO proposes to define **CLLC** as:

> A configuration that consists of (a) a Co-Located Load that is a Limited Withdrawal Service Load participating with one or more Co-Located Resources, in accordance with Section 4.1.12 of the ISO Services Tariff, or (b) a stand-alone Limited Withdrawal Service Load. All components of the CLLC must be located behind a single Point of Interconnection. A Large Load taking only Firm Withdrawal Service may not participate in a CLLC.
>
> A Co-Located Resource(s) participating in a CLLC may not participate in the ISO Administered Markets through any other participation model. A Co-Located Resource that is a Hybrid Storage Resource cannot participate in a CLLC.
>
> The CLLC shall participate in the ISO-administered Energy and Ancillary Services markets as a single Resource that is capable of following the ISO's dispatch instructions. In order to qualify for wholesale market participation, a CLLC must be able to inject or withdraw at least 1 MW of Energy to/from the transmission system. A CLLC will be required to submit Energy Bids consistent with the Withdrawal Service(s) being taken by the Co-Located Load and the manner in which the Market Participant seeks to exercise those Withdrawal Service rights within a given real-time market interval. The Co-Located Resource(s) in a CLLC shall participate in the ISO-administered Installed Capacity market as a single ICAP Supplier referred to as a Composite Co-Located Resource.[536]

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[535] A Co-Located Arrangement is an agreement between a Co-Located Load and a Co-Located Resource(s) that are connected behind the same Point of Interconnection, which is entered into for the purpose of enabling the Co-Located Load to take some amount of Firm Withdrawal Service.

[536] Proposed Services Tariff Section 2.3.

The NYISO also proposes the following CLLC-related definitions:[537]

> **Co-Located Load:** A Large Load connected behind the same Point of Interconnection as a Co-Located Resource. A Co-Located Load may include an ESR in a CLLC in which all withdrawals of the ESR are settled as Load, in accordance with Section 4.1.12.1 of the ISO Services Tariff.
>
> **Co-Located Resource:** A Resource connected behind the same Point of Interconnection as a Co-Located Load. A Co-Located Resource may include an Energy Limited Resource; an Energy Storage Resource; a Generator without a PURPA contract(s); a Hybrid Storage Resource; an Intermittent Power Resource; a Limited Control Run of River Hydro Resource; and a Demand Side Resource that is participating as a standalone Distributed Energy Resource. A Co-Located Local Generator is not a Co-Located Resource.
>
> **Composite Co-Located Resource:** One or more Co-Located Resource(s) within a CLLC that participates in the ISO-administered Installed Capacity market as a single Installed Capacity Supplier.
>
> **Withdrawal Scheduling Limit:** The maximum amount of MW associated with a CLLC that is registered as eligible for withdrawal scheduling by the NYISO.
>
> **Zero Withdrawal Service Load:** A Large Load or portion thereof that is not authorized under the ISO OATT to withdraw Energy from the NYS Transmission System. A Zero Withdrawal Service Load is either (a) a Limited Withdrawal Service Load in a CLLC or (b) a Co-Located Local Load in a CLGC. Energy consumption by Zero Withdrawal Service Loads shall be metered and included in Gross Load.

The NYISO proposes to clarify that an ESR, as defined in Services Tariff Section 2.5, that participates in a CLLC shall follow the rules set forth in Section 4.1.12.1 of the Services Tariff."[538] The NYISO also proposes conforming revisions to the definitions of Resource, Supplier, Installed Capacity Supplier, Lower Operating Limit, Minimum Generation Bid and Minimum Generation Level, and Station Power to integrate the CLLC.

The NYISO's definition of Co-Located Resource is broad, encompassing Resource types such as HSR, CSR, and others. This is intentional – the Co-Located Resource definition is intended to be applied broadly to contexts external to the CLLC participation model, such as the

[537] *Id.*
[538] *Id.*

Co-Located Arrangement construct. A subset of Co-Located Resources, i.e. Generators that do not utilize other participation models, will be eligible to participate in a CLLC. For example, storage is a CLLC-eligible technology type, but storage participating in a CLLC will not be able to utilize the NYISO's Energy Storage Resource participation model rules. This is to prevent Market Participants from creating nested Aggregations, such as locating an HSR within a CLLC, and to maintain a distinct participation model that can support the integration of Load and Generation into a single co-located facility.

Demand Side Resources are ineligible to participate in the CLLC participation model by default. In order to participate in a CLLC, any composite Load would have to be classified as Limited Withdrawal Service Load, which disqualifies the Load from qualifying for Demand Response compensation. However, Load flexibility can still be reflected in the CLLC's net Energy bid, and may be reflected in other aspects of CLLC performance such as DMNC tests. This enables the CLLC Market Participant to utilize Load flexibility in effectuating greater net injections onto the grid, in the event that the CLLC contains enough Generation to effectuate such an outcome.

iii. CLLC-Specific Metering and Telemetry Requirements

The NYISO proposes to revise Services Tariff Sections 13.1 (General Requirements) and 13.2 (Requirements Pertaining to Customers) to extend the metering and six-second real-time telemetry requirements to (1) CLLCs and (2) Large Loads, including those in a CLLC or a CLGC.[539]

The NYISO proposes a new Section 13.2.7 (Metering Requirements for Co-Located and Limited Load Configurations). This section would provide that a CLLC shall be metered by the Transmission Owner it is interconnected to or in whose Load Zone it is located, and Energy injections and withdrawals at the Point of Interconnection shall be metered separately and directly and be submitted to the ISO by the Transmission Owner Meter Authority in separate fields such that the ISO is able to separately determine the total Energy injections and withdrawals in each interval.[540] The Co-Located Load shall provide real-time telemetry at the Point of Interconnection and the Gross Load at the Large Load nominally every six seconds, in accordance with the specifications set forth in ISO Procedures.[541]

iv. CLLC-Specific Energy Market Rules

The NYISO proposes several changes to its Day-Ahead and Real-Time Market rules to schedule and dispatch a CLLC as a single Resource and limit its withdrawals to levels consistent with its Withdrawal Service rights.

The NYISO proposes to revise Services Tariff Section 4.2.1.1 (General Customer Forecasting and Bidding Requirements) by adding "Bids to purchase Energy and Bids to supply

[539] Services Tariff §§ 13.1, 13.2.
[540] *Id.* § 13.2.7.
[541] *Id.*

Energy by CLLCs" to the list of bids required by LSEs and Customers and Transmission Customers submitting Bids in the Day-Ahead Market.[542]

The NYISO proposes to add a new Section 4.2.1.9 (Large Loads) providing that all Large Loads, regardless of Withdrawal Service classification, are subject to a maximum ramp rate limit of 20 MW/min, and that the ISO may instruct a Large Load to deviate from this ramp rate limit in order to protect reliability.

The NYISO proposes to add a new Section 4.2.1.9.1 (Co-Located and Limited Load Configurations) requiring a CLLC to submit Day-Ahead Market Bids using the ISO-Committed Flexible, Self-Committed Flexible, or ISO-Committed Fixed Bid modes. A Supplier's Day-Ahead Market Bids for a CLLC to withdraw and to inject Energy must be submitted as a single, continuous bid curve representing the net capability available for scheduling for each hour of the Dispatch Day.[543] Any portion of a Co-Located Load that is taking Non-Firm Withdrawal Service must be included in the net bid curve as an Energy withdrawal and is subject to the $200/MWh Non-Firm Withdrawal Service bid cap.[544] A CLLC is not required to submit Day-Ahead Market Bids to withdraw for any hour in which it does not intend to withdraw.[545] A CLLC's Day-Ahead Market Bid must reflect the CLLC's applicable operating limits.[546] The maximum physical Point of Injection and Point of Withdrawal limits shall represent the Bid bounds of the CLLC.[547] The Lower Operating Limit shall represent the maximum desired net withdrawal MW and the Upper Operating Limit shall reflect the maximum desired net injection MW for which the CLLC may receive a schedule.[548] The CLLC may nominate up to three response rates; provided, however, that the Large Load component of a CLLC's Day-Ahead Market Bids shall be subject to the Large Load ramp rate limit of 20 MW/min. CLLCs are not eligible to provide Operating Reserves or Regulation Service.[549]

The NYISO proposes to revise Section 4.2.3 (Security Constrained Unit Commitment) to provide that SCUC will treat CLLCs, like Hybrid Storage Resources, Energy Storage Resources, and Aggregations as already committed and available to be scheduled, and proposes conforming edits throughout the section.[550]

The NYISO proposes to revise Section 4.2.6 (Day-Ahead LBMP Market Settlements) to provide that a CLLC scheduled in SCUC to sell Energy will be settled at the product of the Day-Ahead hourly LBMP at the applicable Generator bus and the hourly Energy schedule.[551] The revisions also provide that a CLLC scheduled to purchase Energy will pay the product of the

[542] Services Tariff § 4.2.1.1.
[543] *Id.* § 4.2.1.9.1.
[544] *Id.*
[545] *Id.*
[546] *Id.*
[547] *Id.*
[548] *Id.*
[549] *Id.*
[550] *Id.* § 4.2.3.
[551] *Id.* § 4.2.6.

Day-Ahead hourly Zonal LBMP for the Load Zone associated with the CLLC and the hourly Energy schedule.[552]

The NYISO proposes to revise Section 4.4.1.2 (Bids and Other Requests) to require a CLLC to submit Real-Time Market Bids using the ISO-Committed Flexible, Self-Committed Flexible, or ISO-Committed Fixed Bid modes.[553] A Supplier's Real-Time Bids for CLLCs to withdraw and to inject Energy must be submitted as a single, continuous bid curve representing the net capability available for scheduling in the Real-Time Market for each hour of the Dispatch Day, and any portion Co-Located Load that is taking Non-Firm Withdrawal Service shall be included in the net bid curve as an Energy withdrawal and shall be subject to the $200/MWh Non-Firm Withdrawal Service bid cap.[554] A CLLC's Real-Time Bid must reflect the CLLC's applicable operating limits, including upper and lower operating limits and other parameters as required by ISO Procedures.[555]

The NYISO proposes to revise Section 4.4.3.1.2 (Maximum Generation Pickup) to provide that RTD-CAM must produce schedules directing all CLLCs taking a portion of Non-Firm Withdrawal Service located in a targeted area to fully decrease any withdrawals associated with Non-Firm Withdrawal Service at their emergency response rate.[556]

The NYISO proposes a new Section 4.1.12.1 in the Services Tariff providing that a Limited Withdrawal Service Load participating with one or more Co-Located Resources or a stand-alone Limited Withdrawal Service Load must participate in NYISO markets as a CLLC.[557] Under this configuration, Large Loads taking solely Firm Withdrawal Service are ineligible to participate in a CLLC, withdrawals by participating Energy Storage Resources are settled as Load, and any changes to a CLLC's composition require a material modification evaluation under OATT Attachment LL.[558]

The NYISO proposes to revise Rate Schedule 3 (Payments for Regulation Service) to include CLLCs among the Resources that are not eligible to provide Regulation Service.[559]

v. CLLC-Specific Capacity Market Rules

The NYISO proposes various tariff changes related to CLLC participation in its capacity market. The NYISO proposes to revise Services Tariff Section 5.12.1 (Installed Capacity Supplier Qualification Requirements) by adding Composite Co-Located Resources to the Resources that may qualify as Installed Capacity Suppliers,[560] and would require such Resources

[552] *Id.*
[553] *Id.* § 4.4.1.2.
[554] *Id.*
[555] *Id.*
[556] *Id.* § 4.4.3.1.2.
[557] Services Tariff § 4.1.12.1.
[558] *Id.*
[559] *Id.* § 15.3.
[560] Services Tariff § 5.12.1.

to submit Operating Data in the same manner other Installed Capacity Suppliers per a revision to Section 5.12.5.1.[561]

The NYISO proposes a new Section 5.12.6.1.3 (Composite Co-Located Resources) under which a Composite Co-Located Resource may, consistent with the deliverability requirements in Attachment HH of the OATT, qualify for ICAP up to the lesser of the aggregate CRIS of its individual Co-Located Resource(s) and the aggregate DMNC of the Composite Co-Located Resource, and must comply with Section 5.12.1 and the outage notification requirements of Section 5.12.7.[562]

The NYISO proposes to revise Section 5.12.6.2 (UCAP Calculations), by providing that the Unforced Capacity that a Composite Co-Located Resource is authorized to supply in the NYCA will be based on its availability in the Real-Time Market, excluding the hours in any month that the applicable Composite Co-Located Resource was in an outage state that precluded its eligibility to participate in the Installed Capacity market.[563]

The NYISO proposes a new Section 5.12.7.4 requiring each Composite Co-Located Resource, on a daily basis and for each hour of the Day-Ahead Market Day, to (i) schedule a Bilateral Transaction; (ii) Bid the ICAP sold by that Composite Co-Located Resource minus the larger of zero and the minimum of (a) the ICAP MW of Firm Withdrawal Service associated with the given CLLC and (b) the absolute value of the LOL of the given hour; or (iii) notify the ISO of any outages.[564]

vi. CLLC-Specific Settlement Rules

The NYISO proposes to revise Services Tariff Section 4.5.2.1 (General Rules for Suppliers) to provide that CLLCs are subject to the balancing market settlement rules when scheduled to provide or withdraw Energy or when actually providing or withdrawing Energy in real-time.[565] A CLLC will pay or be paid for Energy imbalance based on Actual Energy Injections and Scheduled Energy Injections at the Generator bus LBMP, and based on Actual Energy Withdrawals and Scheduled Energy Withdrawals at the Zonal LBMP.[566] Actual Energy Withdrawals for a CLLC will be determined from real-time revenue grade meters and telemetry.[567] Energy imbalance will be determined in two parts, with a breakpoint at zero MW of injection or withdrawal, so that all injections are settled at the Generator bus LBMP and all withdrawals are settled at the Zonal LBMP.[568] The NYISO proposes conforming revisions to Section 4.5.3.1 to provide that a Customer's Actual Energy Withdrawals for a Large Load will

[562] *Id.* § 5.12.6.1.3.
[563] *Id.* § 5.12.6.2.
[564] *Id.* § 5.12.7.4.
[565] Services Tariff § 4.5.2.1.
[566] *Id.*
[567] *Id.*
[568] *Id.*

be determined from real-time revenue grade meters and telemetry, and that CLLCs are subject to the withdrawal balancing rules subject to the zero MW breakpoint.[569]

The NYISO proposes to revise Sections 18.2.1.2 (Attachment C) and 25.2.28 (Attachment J) to the Services Tariff to clarify that a CLLC shall not be eligible to receive Day-Ahead Bid Production Cost Guarantee or Day-Ahead Margin Assurance Payments.[570] This is reasonable because CLLCs are unique Resources, treated as Load when net withdrawing and as wholesale supply when net injecting. The NYISO does not currently have any other Resources with such characteristics. It is therefore reasonable for NYISO to wait to gain practical working experience with the new CLLC model before it determines whether CLLCs require make whole payments and what form such payments might take.[571]

E. Deviation Charges for CLLCs that Fail to Follow NYISO's Dispatch Instructions

The NYISO is proposing to add a new Section 15.3B ("Rate Schedule 3-B") to the Services Tariff to assess new deviation charges to CLLCs that do not follow the NYISO's dispatch instructions/basepoints when net withdrawing from the system.

Under Section 15.3B.1 (Overwithdrawal Charges), a CLLC whose Actual Energy Withdrawals exceed its scheduled Energy withdrawals over a Real-Time Dispatch interval would pay an overwithdrawal charge calculated as follows:

i. Overwithdrawal MW x Max ($MPRC_{DAM}$, $MPRC_{RT}$) x Length of Interval in seconds 3600 seconds[572]

Under Section 15.3B.2 (Underwithdrawal Charges), a CLLC that withdraws less than its scheduled Energy withdrawals minus the tolerance will pay a corresponding underwithdrawal charge calculated as follows:

ii. Underwithdrawal MW x Max ($MPRC_{DAM}$, $MPRC_{RT}$) x Length of Interval in seconds 3600 seconds[573]

These charges are a necessary incentive mechanism because CLLCs are dispatchable, even when net withdrawing from the system. When a Generator today deviates from its basepoints, such deviations must be corrected for through the dispatch of additional Regulation capacity, which incurs a systemwide cost. Under the existing rules, the additional cost of dispatching such Regulation capacity is allocated to the Generators that caused the discrepancy via Generator Overgeneration/Undergeneration charges. A CLLC that deviates from its dispatch while net withdrawing yields the same end result – NYISO must dispatch additional Regulation to compensate for those deviations. NYISO therefore believes that it is reasonable to assess

[569] *Id.* § 4.5.3.1.
[570] *Id.* §§ 18.2.1.2, 18.4.2.
[571] *See* Smith Affidavit at P 79.
[572] *Id.* § 15.3B.1.
[573] *Id.*

similar, but distinct, Overwithdrawal and Underwithdrawal charges to CLLCs in intervals where they are dispatched to withdraw yet fail to follow their withdrawal basepoints.

The CLLC deviation charge that is applied when the CLLC is net withdrawing will have a tolerance threshold of 5% of the Large Load's maximum registered withdrawal limit, i.e. the total amount of Withdrawal Service that the Load was studied for and awarded in the LLIP. The charge will be assessed using the Regulation clearing price, consistent with existing Under/Overgeneration penalties for Generators. The 5% tolerance applied to the CLLC withdrawal deviation charge is more generous than the 3% tolerance applied to Generator Overgeneration/Undergeneration charges, and accommodates stakeholder feedback that some Loads, though dispatchable, may not be able to modulate Load as precisely as a Generator can modulate supply.

CLLCs will be subject to the existing DER Aggregation Overgeneration/Undergeneration charges in market intervals where they are dispatched to net inject onto the system. The Smith Affidavit further addresses the reasonableness of these charges.[574]

The Commission should accept the NYISO's proposed deviation charges as within the scope of the Commission's jurisdiction for the same reasons as the NYISO's proposed curtailment rules for Limited Withdrawal Service Loads, discussed above in Part IV.B.ii.b are Commission-jurisdictional. Namely, the deviation charges are conditions to the receipt of jurisdictional non-firm transmission service and are wholesale market design mechanisms that exist in the wholesale energy space. They are intended to incentivize CLLCs' adherence to NYISO dispatch/basepoint instructions under NYISO's Commission-jurisdictional tariffs. The NYISO has no intention to intrude on state jurisdiction.

In addition, the SPP CHILLS Order also supports NYISO's proposed deviation charges. CHILLS customers taking transmission service in excess of their CHILLS reserved capacity are subject to SPP-imposed penalties.[575] The Commission found this arrangement to be just and reasonable because it ensures that CHILLS customers pay for unreserved use of SPP's transmission system based on the amount and duration of such unreserved use.[576] The Commission also found that escalating penalties will help deter CHILLS Customers from repeatedly failing to adhere to reserved capacity amounts.[577] So too with the NYISO's proposed deviation charge, which is structured to ensure that customers being served via Non-Firm Withdrawal Service adhere to the NYISO's dispatch instructions and basepoints when net withdrawing.

F. The Associated Resource Arrangements and the Capacity Region Construct

As discussed above in Part II.G.ii, a Large Load that is seeking Firm Withdrawal Service but has been identified in the LLIP as causing impermissible adverse resource adequacy impacts may mitigate those impacts, and thus be eligible to receive some or a full amount of Firm

[574] *See* Smith Affidavit at PP 80-82.
[575] SPP CHILLS Order at P 98.
[576] *Id.*
[577] *Id.*

Withdrawal Service by entering into an Associated Resource arrangement(s). The NYISO would revise Section 2.1 of the Services Tariff to define an "Associated Resource" as follows:

> [a] Co-Located Resource or Partner Resource that may mitigate some or all of a Large Load's adverse impacts to resource adequacy and/or transmission security identified in the LLIP set forth in Attachment LL of the ISO OATT, which allows the respective Co-Located Load or Large Load to take some amount of Firm Withdrawal Service." An Associated Resource must be (a) a proposed project that does not yet meet the inclusion rules for the Reliability Planning Process at the time the Large Load Integration Request is validated in accordance with Section 44.6.5 of Attachment LL of the ISO OATT; (b) a new Installed Capacity Supplier; and (c) otherwise satisfy the applicable requirements set forth in Section 44.6.4 of Attachment LL of the ISO OATT.

Services Tariff Section 2.3 would be revised to define a "Co-Located Arrangement" as:

> An agreement between a Co-Located Load and a Co-Located Resource(s) for the purpose of enabling the Co-Located Load to take some amount of Firm Withdrawal Service, consistent with Section 4.1.12 of the ISO Services Tariff and Attachment B of the ISO OATT. The Co-Located Resource(s) and the associated Co-Located Load must be behind the same Point of Interconnection and must jointly submit an attestation in accordance with Section 44.6.3.5 of Attachment LL of the ISO OATT. A Co-Located Arrangement may be between: (1) a Co-Located Load taking solely Firm Withdrawal Service and a Co-Located Resource or (2) a Co-Located Load and Co-Located Resource in a CLLC. The Co-Located Arrangement shall have a required minimum duration of fifteen (15) years, starting the first day of the Obligation Procurement Period for which the UCAP equivalent of ICAP documented in the Large Load Bilateral Transaction is initially certified, in accordance with ISO Services Tariff Sections 5.11.2 and 5.13.1 and ISO Procedures

And Services Tariff Section 2.16 would define a "Partnered Resource Arrangement" as:

> An agreement between Partner Resource(s) and a Large Load that are electrically located in the same Capacity Region for the purpose of enabling the Large Load to take Firm Withdrawal Service, consistent with Section 4.1.12 of the ISO Services Tariff and Attachment B of the ISO OATT. The Partner Resource(s) and the Large Load must jointly submit an attestation in accordance with Section 44.6.3.5 of Attachment LL of the ISO OATT. The Partner Resource Arrangement shall have a required minimum duration of fifteen (15) years, starting the first day of the Obligation Procurement Period for which the UCAP equivalent of ICAP documented in the applicable Large Load Bilateral Transaction is initially certified, in accordance with Sections 5.11.2 and 5.13.1 of the ISO Services Tariff and ISO Procedures.

Once a Large Load enters into a Co-Located or Partner Resource Arrangement with an Associated Resource(s), that Large Load's eligibility to take the amount of Firm Withdrawal Service dependent on such arrangement with an Associated Resource becomes contingent on the continued ICAP market participation of the Associated Resource(s). If the Associated Resource(s) that is party to a given Large Load's Co-Located or Partner Resource Arrangement enters into an ICAP Ineligible Forced Outage, Mothball, or Retired status, or otherwise exit the ICAP markets, the corresponding Large Load will be required to reclassify, in part or in full, as a NFWS Load.

If the Large Load's Associated Resource(s) later exit from one of the aforementioned statuses and resumes ICAP market participation, then the Large Load's Firm Withdrawal Service Rights may be restored.

The NYISO proposes to require that all Co-Located and Partner Resource Arrangements remain in place for a term of 15 years.[578] After the 15-year term expires, the Large Load's Firm Withdrawal Service shall no longer be contingent on the continued ICAP market participation of its Associated Resource(s).

NYISO's proposed rules ensure that the ICAP associated with an Associated Resource(s) in an arrangement with a Large Load is being made available to the ICAP market by requiring that a Large Load Bilateral Transaction be in place, which is a capacity bilateral, between Associated Resources and the Large Load to whose arrangement they belong. This Large Load Bilateral Transaction must be in place for each Obligation Procurement Period following the effective date of the Large Load's Co-Located or Partner Resource Arrangement.

This requirement ensures that the ICAP of the Associated Resource(s), which was caused to enter the ICAP market as a result of the Large Load's need to mitigate its adverse impacts to resource adequacy, continues to do so for the required term of the Co-Located or Partner Resource Arrangement, as further discussed below. Further, as the Smith Affidavit explains, the NYISO's proposed rules will also ensure that Associated Resource(s) are not transient, and remain in the ICAP markets for a predetermined, minimum period of time.

The NYISO's Associated Resource arrangement construct and related rules are responsive to the Commission's concern expressed in the Show Cause Order that "[w]ithout such a common and consistent understanding of entities' responsibilities relevant to co-location arrangements [] we are concerned that these arrangements may be developed in a manner that is itself unjust and unreasonable or that may result in unjust and unreasonable rates for other customers[,][579] and encouragement for the NYISO to consider "what type of transmission service an Eligible Customer will need to take on behalf of the *electrically proximate large load* or large co-located load."[580]

The Show Cause Order's suggested defined terminology of Large Load associating with "electrically proximate" supply. i.e., less than two substations away, is not well suited for

[578] *See* Proposed Services Tariff § 4.1.10.3.
[579] Show Cause Order at P 102.
[580] Show Cause Order at P 127 (emphasis added).

implementation in the NYISO. Requiring an Associated Resource to be in the same Capacity Region as its associated Large Load is appropriate in light of the NYISO's specific frameworks. This is because, during the interconnection process, when the deliverability of a new resource to be eligible to supply capacity is evaluated (i.e., the deliverability test is applied to projects seeking CRIS), the NYISO looks at the deliverability of the new Resource within the Capacity Region where that Resource is located. Given that the Associate Resource is addressing the resource adequacy impact of the Large Load, it is appropriate to require that the Associated Resource be within the same Capacity Region as the Large Load in the NYISO .

As such, the NYISO is proposing to allow Large Loads to partner or co-locate with Associated Resource(s) that are electrically located in the same Capacity Region as the Large Load. This construct is more conducive to the way the NYISO's resource adequacy requirements and ICAP market are structured. And, as discussed in the Smith Affidavit, utilizing a Capacity Region construct in place of an electrical proximity approach is better suited to the NYISO's markets and the configuration and topology of the NYS Transmission System.[581]

The NYISO's proposed Capacity Region requirement achieves the same objectives as the electrically proximate generation specifications discussed in the Show Cause Order, including its expressed concern that "[i] the absence of Tariff provisions accounting for these operational dynamics when an interconnection customer's generating facility is serving *electrically proximate* large loads or large *co-located* loads, new shovel-ready generating facilities may face unnecessary delays in reaching commercial operation under current generator interconnection processes and will be unable to serve the immediate demand of new large loads or large co-located loads."[582] Allowing Large Loads to enter into arrangement with an Associated Resource(s) in the same Capacity Region, may avoid or lessen unnecessary delays in Large Loads properly reaching commercial operation. Also, of note, in the Show Cause Order the Commission stated that it would consider "proposed revisions to this definition that ensure it is appropriately tailored to NYISO transmission system."[583]

G. DSR/Aggregation Rules

Under proposed OATT Part 3A, Section 3.A.1.1, a Large Load taking Firm Withdrawal Service is eligible to participate in the NYISO markets via its various Demand Side Resource programs, and is treated the same as other firm Transmission Service customers, including being subject to the same curtailment priority and the NYISO's emergency operating procedures.[584] By contrast, Section 3.A.1.2 and the revised "Demand Side Resource"[585] definition in Services

[581] Smith Affidavit at P 86.

[582] Show Cause Order at P 121. "Where a generating facility's output is matched to the demand of the electrically proximate large load or large co-located load or if the generating facility's output is limited to ensure no new injection, the impacts to the transmission system of interconnecting the generating facility to serve that electrically proximate large load or large co-located load may be limited, thereby potentially reducing the need for Network Upgrades, which can accelerate the generator interconnection process." *Id*.

[583] Show Cause Order at P 120.

[584] Proposed OATT Part 3A § 3.A.1.1.

[585] The NYISO proposes to define "Demand Side Resource" as "A Resource located in the NYCA that: (i) is capable of controlling demand by either curtailing its Load or by operating a Local Generator to reduce Load from the NYS Transmission System and/or the distribution system at the direction of the ISO, in a responsive, measurable

Tariff Section 2.3 provide that a Large Load taking any amount of Non-Firm Withdrawal Service, including a Large Load taking a combination of Firm and Non-Firm Withdrawal Service, is not eligible to participate in NYISO Demand Side Resource programs.[586]

The NYISO is proposing to allow a Large Load to enter a Partner Resource Arrangement or Co-Located Arrangement with an Associated Resource(s)[587] to obtain, in part or in full, Firm Withdrawal Service, as determined by the Large Load Integration Procedures set forth in proposed Attachment LL to the OATT.[588] Both arrangements would be subject to a minimum duration of fifteen years, starting the first day of the Obligation Procurement Period for which the UCAP equivalent of ICAP documented in the applicable Large Load Bilateral Transaction is initially certified.[589] Large Load taking Firm Withdrawal Service that is a party to a Partner Resource Arrangement and is a Demand Side Resource that is not participating in an Aggregation cannot serve as the Partner Resource to another Large Load.[590] A Large Load taking Firm Withdrawal Service that is a party to a Co-Located Arrangement and is a Demand Side Resource that is participating as a standalone Distributed Energy Resource cannot serve as the Associated Resource to another Large Load.[591] Under this framework, the Large Load must partner with a "new" DSR; that is, the DSR must have never participated in a NYISO Demand Response Program, and facilities included in DER Aggregations must never have participated in a NYISO market.

Because the NYISO's proposed Large Load market rules would allow a Demand Side Resource to become an Associated Resource and engage with a Partner or Co-Located Resource Arrangement as well, the NYISO sees a need to prohibit a Large Load that is receiving Full Withdrawal Rights through a Co-Located or Partner Resource Arrangement and which registers as a DSR from itself serving as the Associated Resource to a second Large Load seeking FWS in a second Co-Located or Partner Resource Arrangement. NYISO is concerned that the first Large Load's Associated Resource could exit the ICAP market, causing the first Large Load to reclassify as NFWS Load and causing it to lose its ability to participate in the markets as a Demand Side Resource. This, in turn, would cause the second Large Load to lose access to its Associated Resource, which was the first Large Load when it was operating as a Demand Side

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and verifiable manner within time limits, and (ii) is qualified to participate in competitive Energy, Capacity, Operating Reserves or Regulation Service markets, or in the Emergency Demand Response Program pursuant to this ISO Services Tariff and the ISO Procedures. A Large Load is not eligible to participate in the ISO Administered Markets as a Demand Side Resource if it is a Limited Withdrawal Service Load." Proposed Services Tariff Section 2.4.

[586] Proposed OATT Part 3A § 3.A.1.2.

[587] The NYISO proposes to define "Associated Resource" as "a Co-Located Resource or Partner Resource that may mitigate some or all of a Large Load's adverse impacts to resource adequacy and/or transmission security identified in the LLIP set forth in Attachment LL of the ISO OATT, which allows the respective Co-Located Load or Large Load to take some amount of Firm Withdrawal Service. An Associated Resource must be (a) a proposed project that does not yet meet the inclusion rules for the Reliability Planning Process at the time the Large Load Integration Request is validated in accordance with Section 44.6.5 of Attachment LL of the ISO OATT; (b) a new Installed Capacity Supplier; and (c) otherwise satisfy the applicable requirements set forth in Section 44.6.4 of Attachment LL of the ISO OATT." Proposed Services Tariff Section 2.1; Proposed OATT Section 44.1.

[588] Proposed Services Tariff § 4.1.12.

[589] *Id.*

[590] *Id.*

[591] *Id.*

Resource. Then, the second Large Load must also reclassify as NFWS Load. Such a mass reclassification of Large Loads from FWS to NFWS would also result in these Large Loads losing DSR eligibility, requiring them to withdraw their Demand Response capability from the ICAP, Energy, and Ancillary Services markets. Without such a prohibition in place, markets may inadvertently incentivize the creation of an interdependent web of Large Load FWS eligibilities (i.e., "daisy-chaining") that could pose a risk to reliability and/or market stability.

This proposal responds to the Commission's directive that the NYISO's Tariff should provide for transmission services for Eligible Load and flexible large loads that are willing and able to limit their withdrawals.[592]

H. DER Modeling Improvements and Baseline Enhancements

The maximum physical injection capability for a Resource participating in an Aggregation is 20 MW, but Resources above 20 MW may participate in an Aggregation if the NYISO determines sufficient physical protection and control schemes exist to limit the injection capability of the Resource to 20 MW or less.[593]

The NYISO proposes to prohibit Demand Side Resources whose Demand Response capability exceeds 20 MW from aggregating with other DER Facilities.[594] Rather, Demand Side Resources exceeding 20 MW shall only be permitted to form an Aggregation of one (i.e., they shall not be permitted to form an Aggregation with other Distributed Energy Resources).[595] These revisions will provide necessary access and transparency into large DSR activity and will support safe and reliable real-time grid operations. This responds to the Commission's directive in the Show Cause Order that the NYISO should address the lack of provisions addressing ongoing operational requirements for Transmission Customers taking Transmission Service on behalf of Large Loads in its tariffs.[596]

These changes are grounded in working experience that NYISO has gained with the participation model over the past several years. The NYISO has found that, without such restrictions in place, the impacts of large Demand Side Resource dispatch on the transmission system becomes difficult to model and anticipate, and true impacts become difficult to deduce. The NYISO is concerned that the participation of Large Loads in the DER and Aggregation participation model as Demand Side Resources will exacerbate these modeling issues. The NYISO's proposed enhancements will give the NYISO grid operators direct insight into the activity of individual, large, Demand Side Resources, making it easier to understand the impacts they are having on the transmission system and how the Demand Side Resource is currently operating.

These rules have precedent within the DER and Aggregation participation model itself – other types of DER Facilities, such as small ESRs, may only participate in the DER and

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[592] Show Cause Order at P 66.
[593] Services Tariff § 4.1.10.1.
[594] Proposed Services Tariff § 4.1.10.1.
[595] *Id.*
[596] Show Cause Order at P 70.

Aggregation participation model if they are less than 20MW in size. The NYISO's DER and Aggregation participation model rules made an exception for Demand Side Resources because, with the sunsetting of NYISO's Demand Side Ancillary Services and Day Ahead Demand Response Programs, dispatchable Demand Side Resources had no other method of participation in the NYISO markets. Hence the DER and Aggregation participation model needed to support both standalone and aggregated Demand Side Resource participation use cases. These proposed revisions to the DER and Aggregation participation model do not restrict the model's ability to handle both use cases. Rather, the revised rules more clearly define boundaries describing which Demand Side Resources should participate and therefore be modeled as individual Resources, vs those that may aggregate with other DER Facilities.

The NYISO also proposes to require Demand Side Resources participating in the DER Participation Model to use "Meter Before/Meter After" baselining methodology to measure the amount of Demand Reduction provided in the first hour of Demand Side Resource dispatch.[597] The use of Meter Before/Meter After baselining will enhance the accuracy of the actual load reduction measurement. Following that initial hour, Aggregators will calculate a new baseline using the current Economic Customer Baseline Load ("ECBL") methodology, and the ECBL methodology calculation will be used to measure DSR Demand Response for all subsequent intervals in the dispatch. This proposal responds to the Commission's directive in the Show Cause Order that the NYISO should address the lack of provisions requiring the data necessary to ensure sufficient operational visibility nor establishes requirements for maintaining communication channels between the NYISO and Transmission Customers taking service on behalf of Large Loads.[598]

I. Sunsetting the NYISO's BTM:NG Resource Program

The Show Cause Order made a preliminary finding that the NYISO's Tariffs were unjust and unreasonable because "they allowed load with behind the meter generation to net its behind the meter generation against its load for purposes of calculating Transmission Service Charges for Host Loads configured in a BTM:NG Resource arrangement."[599] The NYISO acknowledges that its existing BTM:NG Resource program allows for such netting. The NYISO takes no position at this time on whether this fact renders the existing program unjust and unreasonable. But the NYISO is nevertheless proposing to address the Commission's concern here.

The "netting" mechanism is an integral component of the BTM:NG Resource program. As such, the NYISO proposes to sunset the program, and transition its existing participants to another participation model. Because the BTM:NG Resource program has relatively few participants and no recent enrollees[600] it would be unreasonable to commit substantial resources to overhauling it in its current form at this time. This is especially true given the need to prioritize work on many other large load reforms, including various others presented in this filing, that are more consequential. It would therefore be preferable to replace the BTM:NG

[597] Proposed OATT § 24.2.
[598] Show Cause Order at P 70.
[599] *Id.* at P 110
[600] Specifically, as of the date of this filing, there are only six active BTM:NG Resources. No new BTM:NG Resources have enrolled in recent years.

Resource program in the near future with an entirely new model that would address the Commission's netting concern while also providing greater functionality and compatibility with the NYISO's other Large Load enhancements.

Accordingly, the NYISO seeks to sunset its existing BTM:NG program and to develop a replacement framework under which ancillary service, transmission, and other charges would be assessed on a Gross Load basis. The NYISO would implement sunsetting by revising the definition of Behind-the-Meter Net Generation Resource in Section 2 of the Services Tariff to indicate that it will no longer be effective after May 1, 2029. The NYISO would also end enrollment for new BTM:NG Resources as of February 1, 2027 which coincides with the proposed effective date of the LLIP and related tariff revisions.[601]

The NYISO intends to work with the handful of current BTM:NG Resources to create individual transition plans that are suited for them in light of their operational characteristics and business models for continued participation in the ISO-administered markets. As the Smith Affidavit notes, it will take time to develop individualized transition plans because the variability in BTM:NG Resource characteristics and capabilities makes a one-size fits all approach impractical.[602] The NYISO will seek to complete the transition process before the existing BTM:NG program sunsets on May 1, 2029.

J. Proposed Revisions to the NYISO's Market Power Mitigation Measures

i. Revisions to the "Buyer-Side" Capacity Market Power Mitigation Measures

The NYISO is proposing to revise the definition of "Excluded Facility" in Section 23.2.1 (Attachment H) to create two new exclusions from its existing buyer-side capacity market power mitigation measures.

The BSM Rules apply to new capacity resources entering the ICAP Auctions in New York City and the Lower Hudson Valley, i.e., the NYISO's "Mitigated Capacity Zones." Traditionally, any such resource that did not qualify for an exemption was required to offer its capacity into the Spot Market Auctions at a price at or above the applicable offer floor and to then continue to offer at or above that price until its capacity clears twelve, not necessarily consecutive, monthly Spot Market Auction.

In 2022, the Commission accepted a substantial new exclusion from the BSM Rules.[603] New capacity resources that were deemed to serve the objectives of New York State's Climate Leadership and Community Protection Act ("CLCPA") were no longer subject to the BSM Rules partly in consideration of New York State's reserved authority under the F PA to determine its resource mix. The NYISO demonstrated that the CLCPA exclusion was consistent with

[601] *See* Proposed Services Tariff Section 4.2.
[602] Smith Affidavit at P 103.
[603] *N.Y. Indep. Sys. Operator, Inc*., 179 FERC ¶ 61,102 (2022) ("CLCPA Exclusion Order").

Commission precedent that market power mitigation rules must balance investor and consumer interests by avoiding both over-mitigation and artificial price suppression.[604]

The two exclusions that the NYISO is proposing now are considerably narrower in scope than the CLCPA exclusion. Both are necessary to update and clarify the BSM Rules to account for issues presented by the influx of new types of Large Loads. And both will reasonably guard against the risks of over- and under-mitigation.

The NYISO seeks to establish an exclusion for new generation that is co-located with Large Loads or that enters a partnership with Large Loads so that the Large Loads may receive Firm Withdrawal Service. Such generation must also obtain CRI S through the NYISO's interconnection processes. The exclusion would recognize that the NYISO has proposed to require arrangements with generation to address a given Large Loads' resource adequacy impacts as determined through the LLIP.

As is discussed in the Altman Affidavit, the NYISO currently faces unprecedented near-term resource adequacy challenges. The purpose of requiring Co-Located/Partnered Arrangements is to offset the substantial resource adequacy impacts created by new Large Loads. This is an important policy objective that I believe justifies a new exclusion from the BSM Rules. Today's resource adequacy challenges certainly did not exist and were not accounted for when the BSM Rules were first devised or as they evolved over time.

In addition, it is highly unlikely that Large Load projects and Associated Resources would be jointly developed as part of capacity market price suppression schemes. Development times are much shorter for Large Loads than for generation. The risk of Large Load projects being effectively used to cause artificial price suppression is certainly lower than it was for the kinds of subsidized generation investments that the BSM Rules, and comparable measures in other regions, were originally devised to prevent. Creating an exclusion for Co-Located/Partnered Generation should therefore not reasonably be expected to result in under-mitigation.

During the NYISO stakeholder process that preceded this filing, some stakeholders suggested that the new exclusion should be modified to include a "right-sizing" limitation, i.e., that it should not apply to the extent that Co-Located/Partnered Generation was materially larger than the associated Large Load. The Newton Affidavit explains that these hypothetical scenarios presented as justifications for right-sizing do not appear to represent realistic mechanisms for the exercise of buyer-side market power under current market conditions.

Furthermore, many of the resource technology types referenced by stakeholders are already Excluded Facilities on other grounds and thus are not subject to the BSM Rules under the currently effective tariff. The NYISO is not proposing to change any of the existing exclusion rules in this proceeding. For the limited resource types that remain subject to the BSM Rules,

[604] *Id*. at P 39.

there does not appear to be a credible near-term market power concern that would necessitate adding a right-sizing rule or other restrictions.

The NYISO also seeks to introduce an exclusion for any proposed supply-side solution responding to a reliability need identified by the NYISO in a STAR or RNA that is found to be a viable and sufficient response to that need.

In the past the Commission sometimes rejected reliability-based exceptions to capacity market power mitigation rules. But circumstances have changed greatly in recent years. This includes rapid growth across new types of loads that was not anticipated at the time of the Commission's earlier rulings. Reliability conditions may not yet be as severe in New York as they are becoming in certain other regions. But the challenges facing the NYISO are serious and must be addressed.

The NYISO is proposing that once a capacity resource in a Mitigated Capacity Zone obtains one of the two new exclusions that the exclusion would not be rescinded. This is consistent with how the existing CLCPA exclusion is implemented.

Although it is proposing to add a new exclusion to its tariff, the NYISO would not turn a blind eye toward potential buyer-side market power abuses. As the NYISO stated when it proposed the existing exclusion for CLCPA resources, the NYISO "will continue to monitor and identify any relevant market behaviors or developments that could constitute abuses of buyer-side market power. If the NYISO were to identify any such exercise of buyer-side market power, it would take all appropriate and timely actions to address such abuse and protect against unreasonable capacity market outcomes."[605] This could include proposing prospectively effective tariff changes that would prevent an inappropriate exclusion from being granted before final investment decisions are made.

Similarly, with respect to the new exclusion(s) that the NYISO is proposing now, the NYISO's Market Mitigation and Analysis Department ("MMA") would continue to monitor the capacity market for potential exercises of buyer-side market power. MMA will monitor new capacity entry, market outcomes, and other information that could indicate the exercise of buyer-side market power.

The interconnection process, stakeholder process, and public visibility associated with large load infrastructure projects provide significant additional transparency – and time to act if required. Projects with the attributes that have concerned some stakeholders, e.g., , an Associated Resource far larger than its associated load, would likely be identified and reviewed well in advance of entering service. This would give the NYISO, its independent Market Monitoring Unit, and stakeholders sufficient time to assess potential concerns and responses, including potential tariff changes if needed to close loopholes and prevent abuses in individual cases.

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[605] New York Independent System Operator, Inc., *Excluding Certain Resources from the "Buyer-Side" Capacity Market Power Mitigation Measures, Adopting a Marginal Capacity Accreditation Market Design, and Enhancing Capacity Reference Point Price Translation*, Docket No. ER22-772-000 (January 5, 2022) at 25.

ii. Additional Market Power Mitigation Measures Changes for CLLCs

The NYISO also proposes to revise Section 23 of the Services Tariff (Attachment H) to clarify the applicability of existing market power mitigation rules to CLLCs. Revised Section 23.2.1 (Definitions) provides that, for purposes of Sections 23.2 through 23.4.4, a CLLC that includes a Co-Located Resource or Co-Located Supply will be evaluated as an Electric Facility and/or a Generator to identify physical withholding, economic withholding, or uneconomic production that may warrant mitigation.[606] Revised Section 23.3.1.3.2 adds CLLCs to the resources for which the NYISO may impose a mitigation measure based on uneconomic withdrawals.[607] Revised Section 23.3.1.4.1 provides that a reference level for a CLLC's Bid to provide or withdraw Energy will be calculated consistent with Sections 23.3.1.4.1.3 or 23.3.1.4.2.[608] Revised Section 23.3.1.4.3 excludes CLLCs from the reference level provision for New Capacity.[609]

The NYISO's proposed changes to its market power mitigation measures are not a direct response to any finding in the Show Cause Order. But they are just and reasonable revisions to account for the attributes and impacts of Large Loads.

V. THE NYISO'S PROPOSALS BUILD ON THE NYISO'S ESTABLISHED TRANSMISISON MODEL AND MARKET STRUCTURES AND DO NOT NEED TO INCORPORATE THE PJM CO-LOCATION ORDER'S TRANSMISSION SERVICES

The Commission has repeatedly determined, the NYISO's financial reservation based transmission service ("Financial Transmission Service") rules are consistent with or superior to the Order No. 888 *pro forma* service offerings.[610] For the reasons explained below, the NYISO's existing Financial Transmission Service model represents the best, the most practically implementable, and the most flexible way for the NYISO to serve Large Loads, including co-located Large Loads and flexible Large Loads. In this Part, the NYISO explains why its Financial Transmission Service continues to produce more efficient solutions than the Order No. 888 *pro forma* physical transmission service options, and why it should serve as the foundation for the new withdrawal services proposed in this filing. The NYISO also explains the reasons

[606] Services Tariff § 23.2.1.
[607] *Id.* § 23.3.1.3.2.
[608] *Id.* § 23.3.1.4.
[609] *Id.* § 23.3.1.4.3.
[610] *See, e.g., N.Y. Indep. Sys. Operator, Inc*., 125 FERC ¶ 61,274, at P 13 (2008) (recognizing "that NYISO's proposed deviations from the pro forma OATT reflect the actual market design used by NYISO, and find the deviations to be consistent with or superior to the pro forma OATT" in connection with NYISO's Order No. 890-A compliance filing); *N.Y. Indep. Sys. Operator, Inc*., 123 FERC ¶ 61,134, at P 37 (2008) (same with respect to NYISO's Order No. 890 compliance filing); *see also Cent. Hudson Gas & Elec. Corp*., 88 FERC ¶ 61,138, 61,382 (1999) (concluding that "the Member Systems have complied with the requirement to provide long-term service" and finding "that the service offered by the ISO is consistent with or superior to that offered under the *pro forma* tariff.")

why it is not proposing to adopt the PJM Co-Location Order's[611] forms of transmission service in response to the Show Cause Order.

A. The NYISO's Financial Transmission Service Model Enables the NYISO to Maximize the Use of the Transmission System Efficiently and to Support Flexible Service for Large Loads

The NYISO does not accept or facilitate reservations of physical transmission service within the NYCA. Instead, the NYISO offers "financial reservation" based transmission service where LBMP energy markets are used to manage congestion and operate bid-based markets.[612] In 1999,[613] the Commission accepted the NYISO's proposed Point-to-Point ("PTP") and Network Integration Transmission Service ("NITS") provisions in the OATT, which are substantially different from the physical based *pro forma* transmission services, finding the NYISO's variations to be consistent with or superior to the *pro forma* OATT.[614] The Commission has repeatedly found the NYISO's financial reservation model to be just and reasonable in various contexts.[615]

Physical transmission rights are different from the NYISO's Commission-accepted "financial" reservation regime that (a) bundles transmission service with Energy purchases and deliveries, and (b) does not provide for Market Participants to reserve and hold transfer capability, but rather makes access to, beneficial use of and the capability of its transmission system available through scheduling each day in its Day-Ahead and Real-Time Markets.[616] Transmission service within the NYCA is scheduled "implicitly" when Resources and External

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[611] *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025).

[612] The original 1998 proposal to establish the NYISO provided for a single form of financial reservation-based transmission service. However, in 1999, the Commission required the NYISO's sponsors to file an OATT that included two kinds of transmission service but allowed them to propose changes from the *pro forma* OATT to reflect how the financial nature of the NYISO's model differs from the physical reservation-based transmission service. *See Cent. Hudson Gas & Elec. Corp*., 88 FERC ¶ 61,138, 61,382 (1999) (accepting the revised financial transmission reservation model for the NYISO.) For the reasons explained below, the NYISO's financial reservation system bridges the gap between the traditional "point-to-point" and "network" transmission service offerings. As further detailed herein, the NYISO's financial transmission service method provides greater flexibility to customers than traditional point-to-point and traditional network service do and, consistent with the proposed modifications to accommodate "non-firm" service to Large Loads that are described in this filing, the NYISO's financial reservation transmission model can accommodate Large Loads that are not eligible to receive firm transmission service at times when the transmission system is significantly congested or available Energy is limited.

[613] *See Cent. Hudson Gas & Elec. Corp*., 88 FERC ¶ 61,138, 61,382 (1999).

[614] *See N.Y. Indep. Sys. Operator, Inc*., 125 FERC ¶ 61,274 (2008) (confirming that NYISO's financial reservation model was consistent with or superior to the physical reservation requirements of Order No. 890's *pro forma* OATT.); *New York Independent System Operator, Inc.*, 123 FERC ¶ 61,134 (2008) (stating the same); *Cent. Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138, 61,382 (1999) (concluding that "the Member Systems have complied with the requirement to provide long-term service" and finding "that the service offered by the ISO is consistent with or superior to that offered under the *pro forma* tariff").

[615] *See N.Y. Indep. Sys. Operator, Inc*., 125 FERC ¶ 61,274 (2008) (confirming that NYISO's financial reservation model was consistent with or superior to the physical reservation requirements of Order No. 890's *pro forma* OATT); *N.Y. Indep. Sys. Operator, Inc.*, 123 FERC ¶ 61,134 (2008) (stating the same).

[616] *See* Sections 3.1.5 and 3.1.8 of the OATT for information about how transmission service is scheduled in the NYCA.

Transactions receive Energy schedules from the NYISO, and NYCA Loads are served without the need to formally schedule transmission service.

The Financial Transmission Service that customers select and the NYISO has provided since its inception in 2000 most closely resembles an improved, more flexible version of *pro forma* NITS which effectively designates all NYCA Resources to serve all NYCA Loads with administrative efficiency. The NYISO commits and dispatches all NYCA Resources based on their economic offers, accounting for congestion on its transmission network, to serve all NYCA Loads (plus scheduled Export Transactions) at the least production cost. The transmission service that customers select, and the NYISO provides, is referred to as Firm Point-to-Point Transmission Service.[617] As the Commission noted in the Show Cause Order,[618] in the twenty-six years since the NYISO commenced operations, it has never "received a formal request from a transmission customer for NITS."

An internal Bilateral Transaction provides a financial method for a NYCA Generator to contractually serve a NYCA Load. The Point of Injection ("POI") for an internal Bilateral Transaction is the Generator Bus where the Energy the Generator produces is made available to the NYISO. The Point of Withdrawal ("POW") is the Zonal Load Bus for the Load Zone to which the Generator's Energy is being financially "delivered."[619] To the extent the participating Generator is producing Energy, the "cost" of obtaining transmission service is limited to paying for transmission congestion and losses between the POI and the POW. If the MWh scheduled in the Bilateral Transaction exceed the source Generator's output, the additional MWh required to serve the scheduled Bilateral Transaction are purchased by the Generator from the LBMP market based on the LBMP at the source Generator's location.[620] Compared to "physical" transmission service, market efficiency is improved by providing "financial" transmission service using Bilateral Transactions because the scheduling of a Bilateral Transaction does not disrupt the NYISO's economic, least production cost commitment of Resources to serve all NYCA Load (plus Export Transactions). Unlike a physical transmission service option, the NYISO's financial scheduling of Bilateral Transactions does not force the commitment of a "source" Generator to serve the Load if that Generator is not an efficient source of economic Energy based on the Bid it submitted.

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[617] OATT Sections 16.3.1 through 16.3.4.2 address Bilateral Transactions and Wheels Through the NYCA. Possibly, customers have only ever requested Firm PTP Service by default given that, under the NYISO's model, PTP service offers all of the benefits of NITS in an administratively efficient manner and thus the two services are largely equivalent; however, it is also possible that customers only select PTP because the limited set of transactions that need Transmission Service to support them (i.e., Bilateral Transactions and Wheel-Through Transactions) are readily scheduled on a point-to-point basis. In any case, for over twenty-six years NITS has never been formally requested or provided in the NYCA.

[618] *See N.Y. Indep. Sys. Operator, Inc*., 195 FERC ¶ 61,216 at P 20 fn. 69 (2026) ("[The NYISO] has never provided or received a formal request from a transmission customer for NITS.").

[619] NYCA Generators are paid for the Energy they produce based on the LBMP at their Generator Bus. NYCA Loads pay for the Energy they consume based on the Zonal LBMP calculated for the Load Zone in which the Load is located.

[620] Energy Imbalance Service for Generators serving Bilateral Transactions is addressed in Rate Schedule 4 (Section 6.4) of the OATT. At times when the "source" Generator for a Bilateral Transaction is not the least cost producer of Energy based on its economic Bids, the LBMP Market will provide the Energy at a lower cost from other sources, improving efficiency for all involved.

In the two and a half decades since the NYISO commenced operations, Transmission Customers have only ever used the NYISO's financial based PTP Transmission Service. The NITS provided for under the NYISO OATT has never been used. As OATT Section 4.2.3 indicates, the NYISO would need to develop substantial new software functionality in order to implement NITS. One characteristic of the *pro forma* version of NITS is the ability of a Transmission Customer to schedule service from one or more designated Generators to one or more designated Loads. The universe of Resources available for economic commitment and dispatch by the NYISO is larger and more diverse than an individual Transmission Customer's set of designated network resources under the *pro forma* OATT. The financial transmission service that NYISO provides is superior to *pro forma* NITS because the NYISO dispatches all available Resources based on their economic offers and accounting for the capability of the transmission system, to serve NYCA Load at least production cost.

Currently, under the NYISO's model, non-firm transmission service is not available because it is not needed within the framework of the NYISO's Financial Transmission Service Model. Initially, the NYISO offered Non-Firm PTP service for internal Transactions, which was described as being service for which a Transmission Customer is not willing to pay Congestion and was made available on a stand-alone basis for one hour periods.[621] The NYISO has not offered Non-Firm PTP service for internal Transactions since March 2011.[622] Additionally, Non-Firm Point-To-Point Transmission Service for External Transactions was eliminated in August 2014.[623] As the Harvey Affidavit notes, the non-firm transmission service option that previously existed under the NYISO OATT was hardly ever used.[624] The NYISO's transmission model lends itself to providing Loads with the flexibility to structure its service in a manner that reasonably aligns with its operational dynamics, and is made available to Loads on a relatively short timeline.

B. The NYISO's Financial Reservation Model Promotes Economic Efficiency in the Use of the Transmission System and Resources

Under the NYISO's model, the most economically efficient use of the transmission system and generation resources is achieved within the context of the LBMP energy markets.[625] The NYISO's congestion management framework promotes efficient use of the transmission grid through the Security Constrained Unit Commitment ("SCUC") mechanism conducted in the

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[621] The NYISO's original Non-Firm Point-to-Point Transmission Services rules were previously found in Section 3.2 of the NYISO OATT.

[622] *New York Independent System Operator, Inc*., Letter Order, Docket No. ER11-2459-000 (Feb. 10, 2011); see also *NYISO's Proposed Tariff Clarifications Regarding the Bidding for and Scheduling of Energy in New York's LBMP Market and the Scheduling of Transmission Service in the New York Control Area*, Docket No. ER11-2459-000 at p. 15 (December 21, 2010) ("the NYISO proposes to affirmatively indicate that Non-Firm Transmission Service is unavailable for internal Transactions").

[623] *New York Independent System Operator, Inc.,* Letter Order, Docket No. ER14-2623-000 (Oct. 8, 2014)

[624] *See* Harvey Affidavit at P 23.

[625] As discussed *supra*, under the NYISO's approach, the Transmission Customer bears the financial responsibility for the marginal congestion cost associated with its own transactions.

Day-Ahead Market ("DAM") and the Real-Time Commitment ("RTC") and Real-Time Dispatch ("RTD") conducted in the Real-Time Market ("RTM").

While PJM also administers co-optimized day-ahead and real-time energy and ancillary services markets and its transmission model involves Financial Transmission Rights somewhat akin to the NYISO's TCCs, the NYISO's transmission model is materially different from PJM's because the NYISO's financial reservation-based model does not involve any physical reservations for transmission service.

Through the NYISO's DAM and RTM software, internal New York generation resources compete, including with External Transactions, to be economically awarded an Energy schedule, which includes the necessary transmission service and ramp schedule. Additionally, the NYISO continuously redispatches the grid on a security-constrained, least-cost basis in order to maximize the efficient use of the system. As such, the total production cost to serve Load is minimized by the NYISO's SCUC, RTC and RTD, which provides significant savings to Loads compared to a dispatch that matches Generator output to the demand of a specific sub-set of Loads.

NYISO's market constructs, specifically the Transmission Congestion Contract market, also provides a pathway to manage congestion cost (i.e., the Transmission Usage Charge associated with firm transmission) for instances where ex-ante price certainty is valuable. TCCs provide a voluntary financial hedge against Day-Ahead congestion costs without conferring a physical scheduling priority or altering the NYISO's security-constrained dispatch. This separation permits customers to obtain greater cost certainty while preserving efficient, nondiscriminatory access to transmission capability for all market participants.

The financial reservation model also accommodates materially different Large Load operating characteristics without creating administratively defined transmission priorities. A Large Load that can reduce withdrawals during constrained conditions may express that flexibility through its scheduling parameters and applicable operational requirements, while a Large Load that requires uninterrupted withdrawals (and whose interconnection supports such un-interrupted withdrawals) remains exposed to the costs associated with that service. The model therefore preserves a direct relationship between the service a customer values, the flexibility it provides, and the congestion costs it causes, rather than socializing those costs or embedding them in a new class of physical transmission rights. This supports efficient customer decisions regarding location, consumption, onsite supply, contractual hedging, and willingness to curtail.

The model is also adaptable as system conditions and Large Load consumption change over time. Financial schedules and locational settlements can reflect the actual hourly—and, in real time, interval-specific—effects of a Large Load's withdrawals, avoiding the need to establish a static physical reservation based on forecasts that may prove inaccurate or operating assumptions that may later change. That adaptability is especially valuable for Large Loads whose development timelines, utilization levels, and operating profiles may be uncertain. It reduces the risk that scarce transmission capability will be stranded or inefficiently reserved, protects other customers from subsidizing uneconomic uses of the system, and permits Large

Loads to obtain service commensurate with their demonstrated needs and willingness to bear the resulting costs.

Importantly, the financial reservation model does not substitute congestion pricing for the recovery of Large Load-specific interconnection or upgrade costs. Rather, it preserves efficient system operations while allowing separate, targeted tariff provisions to address cost responsibility, readiness, and reliability concerns without converting those protections into physical scheduling preferences that could distort dispatch or strand transmission capability.

As such, the NYISO's financial reservation system is beneficial because it enables the NYISO to efficiently use the full capability of the transmission system to arrive at a least production cost solution to serve NYCA Load using available Resources.[626] All desired uses of the transmission system are scheduled to the extent that customers are willing to pay congestion charges.

C. There Is No Need for the NYISO to Adopt the Transmission Services Established by the PJM Co-Location Order

The Show Cause Order made a preliminary finding that:

> NYISO's Tariff appears to be unjust and unreasonable because it does not include transmission services that reflect Eligible Customers taking transmission service on behalf of Eligible Load that are willing and able to limit their use of the transmission system under certain conditions. NYISO should explain whether the Tariff remains just and reasonable without the transmission services described by the Commission in the PJM Co-Location Order, with regional variation as appropriate, being available to Eligible Customers taking transmission service on behalf of Eligible Load, or propose appropriate Tariff revisions. Specifically, NYISO should explain whether the Tariff remains just and reasonable without (1) an interim non-firm network transmission service while Network Upgrades are being constructed (i.e., interim NITS) and (2) permanent firm and non-firm contract demand transmission services (transmission service up to a specified MW quantity, i.e., the contract level, on a firm or non-firm basis).[627]

The NYISO is not proposing to adopt the three transmission services described in the PJM Co-Location Order (the "PJM Co-Location Order Services").

The NYISO notes that the Commission issued a Show Cause Order for the California Independent System Operator Corporation ("CAISO Show Cause Order") at the same time as the

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[626] *See Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (Jan. 6, 2000), FERC Stats. & Regs. ¶ 31,089 at pg. 31,126 (2000) (holding that systems based on locational prices and financial rights "provide a sound framework for efficient congestion management"), *order on reh'g*, Order No. 2000-A, 65 Fed. Reg. 12,088 (Feb. 25, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), *aff'd*, *Public Utility District No. 1 of Snohomish County, Washington v. FERC*, 272 F.3d 607 (D.C. Cir. 2001).

[627] Show Cause Order at P 109.

it did for the NYISO.[628] The CAISO Show Cause Order recognized that the "CAISO does not offer traditional Order No. 888 network and point-to-point transmission services."[629] It invited CAISO to "explain whether, given that CAISO does not offer the transmission services required by Order No. 888, CAISO's existing transmission service framework addresses the concerns described herein, or explain what specific changes to its existing transmission service framework would effectively provide the same range of transmission service options for flexible large loads as in the PJM Co-Location Order."[630]

The Show Cause Order acknowledges in passing that the NYISO also provides non-traditional transmission services.[631] But the Commission did not expressly invite the NYISO to justify its "existing transmission service framework" as it did the CAISO. Nevertheless, the Commission should recognize that the NYISO's financial transmission model is functionally the same the CAISO's. As discussed above and in the Harvey Affidavit, the NYISO, like the CAISO, does not offer "traditional Order No. 888 network and point-to-point transmission services," does not make physical long-term transmission capacity reservations available, and "does not provide a formal application process for transmission service."[632] The Commission should therefore be every bit as open to the NYISO's transmission service proposals in this filing as it has indicated it will be to alternatives offered by the CAISO.[633]

Dr. Scott Harvey, a leading expert on the NYISO's and CAISO's transmission models, market designs, and market software confirms the close similarities between the NYISO's and CAISO's transmission regimes.[634] Dr. Harvey emphasizes that, "NYISO's existing firm service and proposed new firm and non-firm withdrawal services address the need for tariff provisions covering large loads that are able to curtail use of the transmission system when needed to avoid adverse reliability and market impacts."[635] Dr. Harvey also states that "the NYISO's proposed Firm Withdrawal Service/Non-Firm Withdrawal Service framework is a reasonable and efficient approach to serving large loads able to curtail load in real-time based on system conditions that is compatible with and an effective application of the established NYISO financial reservation model based on financial transmission rights and economic bids and security constrained economic dispatch."[636] Dr. Harvey sees, "no need for the NYISO to adopt interim non-firm NITS or contract demand services that were designed with a different region and different tariff design in mind. NYISO's proposed Firm and Non-Firm withdrawal services will bring

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[628] *Cal. Indep. Sys. Operator Corp*., 195 FERC ¶ 61,214 (2026)("CAISO Show Cause Order").

[629] CAISO Show Cause Order at P 101.

[630] *Id*.

[631] *See, e.g.*, Show Cause Order at n. 68 (noting that no form of non-firm transmission service is currently available within the NYISO) and n. 69 (recognizing that no customer has ever requested NITS from the NYISO.).

[632] CAISO Show Cause Order at P 19.

[633] The NYISO understands that the CAISO will likewise propose not to adopt the three PJM Co-Location Order Services and will instead offer comparable alternatives that better fit its transmission and market model. *See* CAISO Press Release, *CAISO Board Advances New Procedures for Connecting Large Loads Quickly and Reliably*, https://www.caiso.com/about/news/news-releases/caiso-board-advances-new-procedures-for-connecting-large-loads-quickly-and-reliably (Oct. 28, 2026).

[634] *See* Harvey Affidavit at Section II.

[635] Harvey Affidavit at P 52.

[636] *Id*. at P 27.

comparable (or greater) benefits and are more compatible with the NYISO's financial transmission reservation model and existing transmission cost allocation design."[637]

In addition, Dr. Harvey demonstrates that there are various transmission cost recovery and cost allocation differences between the NYISO's transmission model and those used in other regions that would further complicate any effort to implement the PJM Co-Location Order Services in the NYISO. Dr. Harvey emphasizes that the NYISO's decision not to adopt the PJM Co-Location Order Services is "superior to a large load tariff based on interim non-firm NITS and firm and non-firm contract demand service because the NYISO approach avoids the need for a completely unnecessary change in the NYISO's wholesale transmission cost recovery design from one based on megawatt hours of withdrawals to one based on megawatt reservations . . ."[638] The Harvey Affidavit provides a detailed review of the relevant distinctions that support his conclusion.[639]

As explained above, the NYISO's currently offers a single form of firm financial reservation transmission service that operates as an improved, more flexible version of *pro forma* NITS that does not subject customers to various restrictions that exist under the physical reservation version of NITS. Moreover, the NITS procedures under the NYISO OATT have never actually been used, even though they are theoretically available. There is thus no reason to introduce a non-firm interim version of NITS that the Commission envisioned as a bridge to firm NITS service when firm NITS service is not actually used in the NYISO.

Similarly, the NYISO proposes to offer its new Non-Firm Withdrawal Service as an option to allow new Large Loads to connect to the grid faster and without the potential delays required to mitigate adverse impacts to resource adequacy and/or transmission security. It is a voluntary Transmission Service option that new Large Loads are permitted to choose provided however that they comply with the applicable terms and conditions described in Part IV.B.ii above. Reintroducing a new form of non-firm service, i.e., Non-Firm Withdrawal Service, to the options available in the NYISO is a more than sufficient substitute for interim non-firm NITS and the two contract demand services.

Furthermore, the NYISO is concerned that attempting to add the PJM Co-Located Order Services to the NYISO's model would be detrimental to the economic efficiencies achieved by the NYISO's existing market constructs. The result could be reducing the efficiency of the NYISO's least production cost commitment and dispatch system and to increase the overall cost of serving Load in New York, as further explained below. The NYISO does not believe that this would be a just and reasonable outcome given the lack of a rationale for adopting the PJM Co-Location Order Services in NYISO.

During the extensive stakeholder process that culminated in this filing, no stakeholder argued that the NYISO should adopt any of the three PJM Co-Location Order Services in lieu of NYISO's proposed Withdrawal Services. The NYISO believes that this fact is further evidence

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[637] *Id*.at P 52.
[638] Harvey Affidavit at P 28.
[639] *See* Harvey Affidavit at PP 28, 33-49.

that the PJM Co-Location Order Service would serve no useful purpose in the NYISO, no matter their potential benefits in PJM or other regions.[640]

Finally, the NYISO understands that PJM has indicated it could take several years to implement the PJM Co-Location Order Services. PJM initially proposed a June 1, 2029 implementation date even though the services are native to PJM and were designed to complement PJM's established rules and procedures. By contrast, the NYISO would effectively be starting from scratch and would have to make many more software and tariff changes if it were required to integrate the PJM Co-Location Order Services into its model. Adopting the PJM services would also very likely require the NYISO to take extensive measures to comply with numerous North American Energy Standards Board requirements that do not currently apply to it. In short, adapting the PJM Co-Location Order Services to fit the NYISO would all but certainly be more expensive and time-consuming for the NYISO than for PJM. By contrast, NYISO's proposed Withdrawal Services would provide comparable or greater benefits and do so more quickly, i.e., by the NYISO's proposed June 1, 2028 effective date for its Large Load market participation tariff revisions.

VI. THE NYTOS AND THE NTOS ARE ADDRESSING CERTAIN SHOW CAUSE ORDER ISSUES IN SEPARATE FPA SECTION 205 FILINGS

The Show Cause Order recognized that certain large load issues involve matters over which New York's transmission-owning jurisdictional utilities retain unilateral Section 205 filing rights.[641] The Commission gave the transmission owners an opportunity to address those issues in their own FPA Section 205 filings. Subsequently, the Abeyance Order granted both the NYTOs and the NTOs additional time to make such filings.

The NYISO understands that the NYTOs will make a concurrent filing to address several Show Cause Order issues that they assert are subject to their reserved filing rights under the ISO/TO Agreement. This will involve a number of revisions to NYISO OATT Section 5 (Special Provisions for Retail Access) to address large load-related rate issues that were not contemplated when Section 5 was written. The NYISO also expects that the NYTOs will propose some modifications to proposed Attachment LL and OATT Section 1. The NYTOs may make additional Section 205 filings to address rate and cost recovery matters after the NYPSC provides guidance on state-jurisdictional issues in its ongoing large load proceedings, i.e., Case No. 26-E-0045.

The NYTOs will also propose four new two-party *pro forma* agreements that would be added to the NYISO OATT. Specifically: (i) a Network Upgrade Cost Recovery Agreement; (ii) a Security Agreement; (iii) a Facilities Study Agreement; and (iv) a Large Load Interconnection Agreement. The NYISO would not be a party to any of these arrangements.

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[640] For the avoidance of doubt, the NYISO emphasizes that its arguments against implementing the PJM Co-Location Order Services in NYISO should not be interpreted as questioning the adoption of those services in PJM or other regions that choose to implement them. The NYISO's arguments here are only applicable to the NYISO region.

[641] Show Cause Order at P 41.

Similarly, the NYISO understands that the LS Power NY intends to make a Section 205 filing to address its rate and cost recovery issues. Because LS Power NY is an NTO without retail customers the NYISO understands that its filing will principally involve proposed revisions to NYISO OATT Schedule 10 (Rate Mechanism for the Recovery of the Regulated Transmission Facilities Charge) instead of OATT Section 5

The NYISO is not a signatory to the NYTOs' or NTOs' FPA Section 205 filings. It will play a ministerial role in electronically submitting their filings because they implicate NYISO tariffs as the NYISO has done for prior transmission owner rate filings made under their reserved rights. The NYISO reserves the right to comment on the NYTOs' and NTOs' proposals before the Commission. In particular, the NYISO recognizes that the draft *pro forma* agreements will be important to resolving the cost-shifting questions raised by the Show Cause Order. And while the Show Cause Order envisioned the NYISO joining a three-party cost recovery agreement it did not foreclose reasonable alternatives.[642]

VII. THE FPA SECTION 205 STANDARD OF REVIEW AND SEVERABILITY

The Commission has explained that "[u]nder FPA section 205, the Commission is limited to considering the filing before it, ..."[643] Federal courts have similarly noted that "[w]hen acting on a public utility's rate filing under section 205, the Commission undertakes 'an essentially passive and reactive role' and restricts itself to evaluating the confined proposal."[644] Courts have further acknowledged that "FERC has interpreted its authority to review rates under [the FPA] as limited to an inquiry into whether the rates proposed by a utility are reasonable—and not to extend to determining whether a proposed rate schedule is more or less reasonable than alternative rate designs."[645] The Commission "is not required to choose the best solution, only a reasonable one."[646]

Adhering to these precedents and principles is especially appropriate in this proceeding. The NYISO's proposal addresses a large number of operationally and legally complex questions in the context of the resource adequacy challenges facing New York. This included considering jurisdictional issues, particularly the NYPSC's views as a state regulator in the process of devising its own large load interconnection policies. The NYISO's proposal also had to be developed exceptionally quickly while balancing the interests of many parties in order to obtain super-majority stakeholder support. The proposal should therefore be judged on whether it produces just, reasonable, not unduly discriminatory, and lawful rules – not on whether it will result in the best imaginable solution in every instance.

The Commission should also assess the NYISO's proposals in light of the NYISO-specific conditions and circumstances that shaped it. As Chairman Swett noted in her concurrence to the Show Cause Order, the Commission "has long allowed different regional

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[642] *See* Show Cause Order at PP 87-88.

[643] *Midcontinent Indep. Sys. Operator, Inc.*, 164 FERC ¶ 61,069, at P 48 (2018).

[644] *Advanced Energy Mgmt. All. v. FERC*, 860 F.3d 656, 662 (D.C. Cir. 2017) (*quoting City of Winnfield v. FERC*, 744 F.2d 871, 875-76 (D.C. Cir. 1984)).

[645] *Cities of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984).

[646] *Petal Gas Storage, L.L.C. v. FERC*, 496 F.3d 695, 703 (D.C. Cir. 2007).

transmission organizations to follow different rules, in recognition of regional variations . . . ."[647] The NYISO is starting from a different place, with different market, transmission, and interconnection rules that several other ISOs and RTOs. It should not be a surprise, and is entirely reasonable, that NYISO would develop distinctive proposals to address the Show Cause Order's concerns. What matters is that the NYISO's proposals are just, reasonable, and not unduly discriminatory on their own merits.

Each element of this proposal is just and reasonable. Nevertheless, in the event the Commission deems it necessary, and to help facilitate the Commission's acceptance of this filing without delay, NYISO provides notice that it consents to the Commission's exercise of authority to modify and/or sever any element of the proposed OATT and Services Tariff language to the extent necessary and permitted under FPA section 205 and *NRG Power Marketing, LLC v. FERC*,[648] where such modification and/or severance is consistent with the NYISO's overarching objectives in this filing. While the each of the reforms proposed in this filing is just and reasonable and act together to advance important objectives, they may also be considered separately. In particular, the NYISO consents to making any clarifications to its proposed tariff revisions that the Commission considers necessary to confirm that Firm and Non-Firm Withdrawal Services are Commission-jurisdictional transmission services.

VIII. STAKEHOLDER APPROVAL

The NYISO used the additional time provided by the Abeyance Order to conduct an expedited, extensive, and ultimately successful stakeholder process. The NYISO held numerous stakeholder meetings and made presentations describing its evolving proposals on July 23, August 13, August 20, September 1, September 8, September 14, September 22, October 1, October 7, and October 14. As the Smith Affidavit notes, this was not a straightforward effort but an iterative, intense, and thorough process. The NYISO's proposals are the product of countless hours of internal coordination amongst NYISO business units and stakeholder deliberations under significant time pressure. The proposals have evolved and matured substantially since they were first proposed as a direct result of stakeholder feedback.

A near-final version of the NYISO's proposal was discussed at a joint meeting of the NYISO's Business Issues Committee and Operating Committee on October 21. Several changes, most notably the addition of the State Exempt Large Load Projects rules, were made in response to comments presented at joint meeting. Subsequently, the NYISO's final proposal was approved by the stakeholder Management Committee on October 28 by a 100% vote with abstentions.[649] The proposal was then approved for filing by the NYISO's independent Board of Directors on November 16.

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[647] Show Cause Order (Swett, Chairman, concurring at n. 6 *citing* , *Cent. Hudson Gas & Elec. Corp. v. FERC*, 138 F.4th 531, 539 (D.C. Cir. 2025) (internal citations omitted).

[648] *NRG Power Marketing, LLC v. FERC*, 862 F.3d 108 (D.C. Cir. 2017).

[649] The Management Committee authorized the NYISO to make incremental tariff revisions after the vote subject to approval by the Management Committee, Business Issues Committee, and Operating Committee chairs. A number of such incremental changes have been incorporated into this filing.

The NYISO notes that the NYTOs' and NTOs' reserved filing rights are not subject to the NYISO's shared governance procedures. Their expected Section 205 filings therefore did not require stakeholder approval. The NYTOs made an informational presentation describing their planned filing at the October 22 meeting of the NYISO's stakeholder Transmission Planning Advisory Subcommittee.

IX. REQUESTED EFFECTIVE DATES

The NYISO respectfully requests a February 1, 2027 effective date for proposed OATT Attachment LL, i.e., the new LLIP, all new defined terms referenced in Attachment LL, Section 3A of the OATT, all other OATT and Services Tariff revisions directly related to Attachment LL that are discussed in Parts II and III of this transmittal letter, and the BTM:NG sunsetting-related revisions referenced in Part IV.I above. Because February 1 is less than 120 days after the date of this filing there is no need for a demonstration of good cause to support these proposed effective dates under Section 35.3 of the Commission's regulations. The NYISO expects to be ready to commence the optional pre-application process described proposed Attachment LL Section 44.5 on February 1.

The requested February 1 effective date for the new Large Load Integration Procedures also means that the NYISO's currently effective large load interconnection procedures in OATT Sections 3.9 and 4.5 will continue to be in effect for the entirety of the comment period. This is more than eight months after the issuance of the Show Cause Order which will accommodate existing commercial arrangements.

The NYISO is proposing to make its proposed tariff revisions related to its new market participation provisions for Large Loads, i.e., the revisions described in Part IV (other than Part IV.I) of this transmittal letter, effective on June 1, 2028. There is good cause for allowing these provisions to become effective more than 120 days after this filing. No Large Loads are expected to have completed the new LLIP, and thus to be able to utilize the new market participation provisions, until June 1, 2028 at the earliest.

Finally, the NYISO's is proposing to make its revision to Section 2 of the Services Tariff, which would effectuate the sunsetting of the existing BTM:NG program, effective on May 1, 2029. There is good cause for an effective date more than 120 days in the future because it will allow time for the handful of existing BTM:NG market participants to transition to alternative participation models.

X. REQUEST TO CONTINUE ABEYANCE OF SHOW CAUSE PROCEEDINGS

The Abeyance Order stated that, "[i]f NYISO or Transmission Owners submit an FPA section 205 filing addressing the Commission's preliminary findings in the Show Cause Order on or before November 16, 2026, then the obligation of the respondent(s) who have made such an FPA section 205 filing to file a response to the Show Cause Order will be suspended, and this proceeding will continue to be held in abeyance pending further Commission directive in this

proceeding."[650] The NYISO therefore requests that the Commission continue to hold the proceedings in Docket No. EL26-69-000, and the NYISO's obligation to submit an answer to the Show Cause Order, in abeyance, pending Commission action on this filing.

In addition, the NYISO requests that if the Commission were to require the NYISO to make additional tariff revisions before accepting the NYISO's proposals under FPA Section 205 that it hold the Show Cause proceedings in further abeyance for a reasonable time to give the NYISO an opportunity to prepare the necessary filing.

XI. REQUEST FOR EXTENDED COMMENT PERIOD

The NYISO respectfully requests that the Commission extend the standard 21-day comment period for FPA section 205 filings by one week. The Commission has often granted extended comment periods for major filings that encompass numerous complex issues and tariff revisions that are likely to have substantial economic and reliability implications. At the same time, the NYISO recognizes the importance of the issues addressed by this filing and understands the Commission's desire to address large load issues rapidly. The NYISO is mindful that the Commission has denied extension requests in certain recent involving large load matters.[651] Accordingly, the NYISO submits that a brief one-week extension to the standard period so that comments would be due on December 14 instead of December 7 is reasonable given the number, complexity, and importance of the proposals included in this filing. Such an extension would also make a reasonable allowance for the comment period encompassing the Thanksgiving holiday. Because the earliest effective date requested in this filing is February 1, 2027, i.e., two weeks beyond the default sixty-day period, a one-week extension would leave the Commission with slightly more time to review this filing than if the standard comment and notice periods applied.

[650] Abeyance Order at P 11.
[651] *See, e.g.*, *Notice Denying Extension of Time*, Docket No. ER26-3515-000 (Sept. 2, 2026).

XII. COMMUNICATIONS AND CORRESPONDENCE

All communications and service with regard to this filing should be directed to:

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XIII. SERVICE

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, a complete copy of the documents included with this filing will be posted on the NYISO's website at www.nyiso.com.

XIV. CONCLUSION

Wherefore, the NYISO respectfully requests that the Commission accept the revisions proposed in this filing as just, reasonable, and not unduly discriminatory without requiring any modifications or initiating additional procedures. The Commission should continue to hold the proceedings initiated by the Show Cause Order in abeyance while it reviews this filing and should ultimately determine that that this filing satisfies all Show Cause Order directives that fall within the scope of the NYISO's responsibilities and FPA Section 205 filing rights.

Respectfully submitted,

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